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ARPEL MEETING ON SECONDARY OIL, GAS RECOVERY METHODS

Meeting Opens in Caracas

Caracas EL UNIVERSAL in Spanish 8 Oct 80 Sec 2 p 5

[Text] "Forty percent of Venezuela's current oil production is extracted by means of gas or water injection in the oil-bearing deposits. Hence the importance of the secondary recovery processes to our country and to the rest of the Latin American nations, as well as the large producers in the West and Middle East, as a whole, in areas wherein the percentage of extraction of crude through secondary or tertiary processes is similar to that in our country." The foregoing statement was made by Dr Wolf Petzall, director of Venezuelan Petroleum, Inc., at the opening of the 38th meeting of experts from the Latin American Petroleum Industry Mutual Aid Association (ARPEL), which began yesterday under the chairmanship of ARPEL's secretary general, Dr Fernando Mendoza.

During the work sessions of the event which will conclude on Wednesday, 22 October, research reports will be submitted on secondary recovery methods, describing the experience of the technicians from the state oil companies of ARPEL's member nations: Chile, Colombia, Bolivia, Ecuador, Argentina, Brazil, Peru, Uruguay and Venezuela. Also attending the function in the capacity of observers are representatives of the governments of Canada, France and Spain.

In his opening remarks, Dr Petzall stressed the importance of the secondary recovery processes, inasmuch as "the majority of the volumes of reserves come from secondary recovery and not from the major discoveries of new deposits, as we would all like.

"The significance of the secondary recovery methods will be found to increase in the future, owing to the increasing difficulty in discovering new oil deposits with a high degree of productivity, and the incorporation of heavy and extra-heavy oil reserves."

He added that, in the specific instance of Venezuela, the reserves have increased as a result of the discovery of unconventional oil deposits in the Orinoco Belt. The speaker pointed out: "Fortunately, we shall have a relatively long period of primary production there, but later, of necessity, we shall have to undertake alternate steam injection processes, which are not really categorized as secondary recovery, because the only thing that they do is heat the oil and reduce the viscosity to facilitate its handling. But in a third phase, we shall inevitably start to extract that heavy crude using secondary recovery methods."

At the conclusion of his address, Petzall said that, from the reports to be submitted and the discussions stemming from the 38th meeting of ARPEL experts, there would result conclusions and recommendations which he hoped would be useful to the attendees, particularly with regard to the assistance that the group of participants is rendering to its respective governments in devising oil policies and, more concretely, in determining the necessary financial resources required to maintain the production levels in the various countries, and to increase them.

Before the remarks delivered by the director of PDVSA [Venezuelan Petroleum, Inc], the secretary general of ARPEL, Dr Fernando Mendoza, took the floor to give the welcoming address to the group of participants and observers at the 38th meeting of ARPEL experts. Mendoza began his remarks by making a brief historical review of the career of ARPEL. He recalled that ARPEL came into existence in Venezuela in 1961, with the ambitious goal of Latin American oil industry integration. "However, it was not until 1965, after a meeting held in Lima, that it began to operate as we know it today.

"Up until the present, some 900 technical reports have been considered and discussed, and it has afforded the training of approximately 4,000 technicians serving our companies, at meetings similar to this, at all times maintaining our lofty priority objective: mutual assistance among its members, which is the spirit, purpose and *raison d'être* of ARPEL."

He was emphatic in noting that "the era of easy oil is over," adding that now oil must be sought at greater depths, under the sea and in places where the problems of corrosion and high temperatures are marked. "Secondary recovery is the hope of many of the Latin American state oil companies and, in this regard, emphasis should be placed on the Venezuelan experience with steam injection processes, that of the Peruvian technicians with secondary recovery in the old Brea and Parinas deposits and the 29 years of the use of secondary recovery methods by the Mexican engineers in the Poza Rica fields."

Today, the work sessions will start with the presentation of the report entitled "Diagnosis and Expectations for Secondary Recovery Using Conventional Gas and Water Injection in Venezuela," by engineer Juan B. Araujo, of Venezuelan Petroleum; to be followed by a presentation made by engineer Benito Teran de la Garza, of Mexican Petroleum, of the report "Water Injection as a Secondary Recovery Process in Mexico." Then engineer Jose Endara, of the Ecuadorean State Petroleum Corporation (CEPE), will speak on the topic "Development of Secondary Recovery in Ecuador." Similar reports will be delivered by technicians from the state oil companies of ARPEL member nations today and tomorrow, concluding with the closing ceremony at which the vice president of Venezuelan Petroleum, Dr Julio Cesar Arreaza, will officiate.

#### Sodium Hydroxide Injection

Caracas EL UNIVERSAL in Spanish 8 Oct 80 Sec 2 p 6

[Text] "The injection of a sodium hydroxide solution at the rate of 0.1 percent per pound allows for the recovery of more oil than can be obtained through the injection of water alone." This assertion was made in a report submitted by Rafael Gullon,

an engineer from CORPOVEN [a subsidiary of PETROVEN] Deposits, at the 38th meeting of experts from the Latin American Petroleum Industry Mutual Aid Association (ARPEL), the sessions of which are concentrating on secondary recovery methods, with contributions from Venezuelan professionals serving the oil industry and from ARPEL representatives.

He explained that the project was carried out in the eastern section of the Boscan Field. As everyone knows, the Boscan crude is a very heavy oil, of 10° API. He remarked: "At first, the injection rates were approximately 10,000 barrels from a sodium hydroxide solution of 0.1 percent per pound, an amount which was subsequently stabilized at a rate of 6,000 barrels per day. During the operation, the formation of a pressure front was detected, which resulted in a reduction in the wells' capacity for injection, with an increase in the pressure necessary for injection to displace the fluids. The development of this pressure front is due to the formation of an emulsion ring around the injected wells as a result of the interfacial tension between the sodium hydroxide solution and the oil. This emulsion consists of macromolecules capable of obstructing the wells and improving the sweep efficiency," noted Gullon.

Some of the conclusions drawn during the execution of this project indicate that the sodium hydroxide solution of 0.1 percent per pound is the optimal one, because it is the one which most reduces the interfacial tension between the Boscan crude and the connate water. The greater gain in recovery is achieved when there is injected into the core a volume of displacing fluid equal to a porous volume. The relative gain in recovery obtained from displacements under 0.1 percent of porous volume is insignificant.

The report also makes a series of recommendations which, in brief, advise the reevaluation of the geology of the field, attempting to separate the largest possible number of independent production units; the reassessment of the cores taken to arrive at a better determination of the properties of the rock; an investigation of the problems associated with production operations; an investigation of the displacement mechanisms based on the operational problems that have been encountered; a search for a definite area with a single lens and without faults, which will make it possible to test the laboratory results with the different concentrations of the solution and to observe their effect on the displacement of oil; an investigation of the effect of the drilling of interspaced wells on the final recovery, and its effect on a sodium hydroxide injection project; and an investigation of the minimum and maximum injection rate that would allow for the formation of the emulsion front and its potential effect on the recovery.

#### Heavy Crude Recovery

Caracas EL UNIVERSAL in Spanish 9 Oct 80 Sec 2 p 9

[Text] Ninety percent of Canada's oil reserves are located in the bituminous sands of Alberta; hence the great effort to develop these reservoirs of "heavy oils."

This information is contained in the report submitted by the Canadian expert, Calvin Nager, who is a member of Petro-Canada's exploration team, at the 38th meeting of

ARPEL experts currently being held in Caracas. Petro-Canada is that country's state oil corporation. The government founded it in 1975 and it has grown substantially during its brief 5 years of existence. It now has assets amounting to nearly \$3.5 billion and highly skilled personnel totaling 300 employees. Internationally, Petro-Canada has a share in 6,000 square kilometers of offshore units in Norway, Great Britain and Germany, in the North Sea, as well as in offshore areas of Spain, China, Italy and the Gulf of Mexico. In addition, it has interests in nearly 50,000 square kilometers of Canadian oil areas already developed.

The report explains that this growth was attained partially by the absorption of companies previously operating in Canada. At present Petro-Canada is competing with many other Canadian and international companies operating in that country.

Petro-Canada is a complete oil company, with a capacity for exploration, development, drilling, gas and oil production, refining, natural gas processing, marketing and research. It also has interests in coal mines, oil pipeline companies, the plastics industry and other activities.

The major Canadian oil deposits are located in three basic areas. Virtually all the continental reserves are in Alberta, the western province, with additional volumes in the neighboring provinces of British Columbia and Saskatchewan, off Newfoundland and in the Canadian Arctic.

Canada's total reserves, including "conventional," "heavy oils" and bituminous sands, are estimated at about 45 billion cubic meters of proven oil recoverable on site. In addition, there are substantial volumes of gas and oil located offshore.

The expert explained that, in 1979, the production from the Canadian fields amounted to about 250,000 cubic meters of oil and 220 million cubic meters of gas.

The reservoirs of "heavy oils" and of oil sands and bituminous sands in Alberta appear as surface deposits north of Atabasca, and gradually increase in depth until they reach over 900 meters, as they extend in a southeasterly direction.

The operations of Great Canadian Oil Sands and Syncrude, in which Petro-Canada has an interest, are bringing successful results from these oil sands. Engineer Calvin Nager concluded by saying that other recovery techniques, particularly the thermal types, are being tested in the deep reservoirs.

#### Mexican on Water Injection

Caracas EL UNIVERSAL in Spanish 8 Oct 80 Sec 2 p 20

[Text] "Water as a displacing fluid in the secondary recovery methods is the most widely used in the world, owing mainly to its abundance on our planet, the ease with which its high efficiency can be used to displace oil and, finally, its relatively low cost." This claim was made by engineer Raul Carballeda Torres, delegate from PEMEX [Mexican Petroleum] to the 38th meeting of ARPEL experts, in a report submitted with the title "Water Injection as a Secondary Recovery Process in Mexico."



In his report, Carballeda Torres gives a summary of the water injection projects operating in the Republic of Mexico, the results accrued from this secondary recovery method and the calculation techniques used to predict its behavior, including some economic aspects, and shows Mexican Petroleum's program for establishing new, improved secondary recovery methods in its traditional producing areas, identified as the Northern Central and Southern Zones, as well as in the new ones in Chiapas-Tabasco and the Gulf of Campeche.

It is admitted that, "Whatever the mechanisms for expelling the fluids may be, when the production and pressure thereof decline, they require, to a greater or lesser extent, additional external energy which will allow for the maintenance of the pressure and a stoppage of the decline in the volume of production, as well as an increase in the hydrocarbon recovery factors. It is obvious that the history of production from the deposits in Mexico is no exception, and has required the establishment of secondary recovery methods," as it emphasizes.

It reiterates that, for the petroleum engineer or anyone closely associated with the industry it is no secret that the increase in hydrocarbon recovery is one of the most interesting challenges in the engineering related to deposits.

In making an historical review, it recalls how water injection was started in Mexico during 1951, when operations began in the world famous Poza Rica field. "Ten years later, in the San Andres field, a pilot test began and, subsequently, a complete project, which have caused the Poza Rica district to represent a milestone in history for oil production in Mexico.

"The results accrued from the development of these projects have been reflected in the construction of more plants and facilities for injection, so that, by the end of 1976, there was an average daily injection of approximately 300,000 barrels of water, a figure that has increased to 1.150 million barrels per day, with the current promotion of the execution of new projects amounting to 27 which were in operation by August 1980."

Insofar as the effects of water injection are concerned, the reporter stressed that, "The response from the deposits has been varied, depending on the size and features of the deposit, as well as on the volume of injection."

It has been determined that the additional contribution of oil indicates an increase which started during the second half of 1978, until July of this year when it reached a total of 140,000 barrels per day. This represents production equivalent to 16 percent of the total production from the fields subjected to water injection.

#### Lake Maracaibo Recovery Projects

Caracas EL UNIVERSAL in Spanish 8 Oct 80 Sec 2 p 19

[Text] The Lake Maracaibo basin (after several decades of continuous production) contains approximately 6.657 billion barrels of oil yet to be recovered.

Geologist Roger Palomino, who is a member of LAGOVEN's [a PETROVEN subsidiary] Western projects group, stresses that this gives an idea of the importance of the different secondary recovery methods.

He remarked: "At present, nearly 50 percent of the production is extracted with supplementary recovery methods, and that percentage will be increased in the future, so as to be able to reduce the rate of decline in production from the deposits."

Geologist Palomino is a representative from LAGOVEN at the 38th meeting of ARPEL experts, an event in which representatives from the various state oil companies on the continent, as well as observers from other latitudes, are participating.

This LAGOVEN expert's study is entitled "Importance of Geological Studies in the Planning of Secondary Recovery Projects." In it, he emphasizes that, in order to achieve an appropriate injection plan which will maximize the recovery of crude, one must have a thorough understanding of the geological peculiarities of each deposit.

Palomino claims that, in this way, one can explain the behavior of its production, help to decide on the most suitable type of fluid to be injected and select the most appropriate method of injection to take advantage of the natural routes of permeability of the deposit-rock.

The preparation of the report is the methodology pursued to make a geological evaluation of deposits as part of the studies preceding a pressure maintenance program.

One of its first conclusions is that, "The sedimentation and structure are the most important aspects to be considered as part of the geological study of sedimentary rock for the purpose of secondary recovery."

He adds that it is also essential to prepare sedimentation models and to determine the arrangement of deposit-rock, among other things.

In conclusion, geologist Roger Palomino recommends that, in order to reduce the degree of speculation and to make a reliable geological assessment, the latter must be included in a regional geological interpretation of an area larger than that involved in the project.

#### Behavior of Oil Deposits

Caracas EL UNIVERSAL in Spanish 9 Oct 80 Sec-2 p 7

[Text] Using a system of mathematical simulation, one can ascertain the parameters which determine the production from wells, with which it is possible to make reasonable predictions of the behavior of deposits, incidentally evaluating the feasibility of the different production strategies, such as: beginning, change in suspension of water and/or gas injection, artificial survey, new wells, reconditioning, etc.

This proposal was explained in the report entitled "Systems for Simulation of the Behavior of Deposits," submitted by Julian Paytuvi, senior engineer for CORPOVEN, S.A., included in the program for the 38th meeting of ARPEL experts, the agenda of which is focused on the study of the various secondary recovery methods, many of which our country advocates.

Paytuvi explained: "The system in question is capable of checking the behavior of a deposit and of coming up with reasonable predictions that will facilitate the selection of an optimal development strategy in advance." He added: "Furthermore, owing to its design, it occupies little space and is very speedy; it does not use tapes or discs, all of which helps to make the use of this system a simple operation."

Paytuvi explained that the mathematical method used consists of three phases: oil, gas and water; and can simulate at least two dimensions. In other words, it may be described as pseudotridimensional. He stressed: "The program calculates for each well, through linear interpolation and depending on its structural position, the gas and water saturations that are present in the vicinity of the well. To calculate the well's production condition, these saturations may be corrected by the user."

The report submitted by Paytuvi includes the mathematical formulas and equations which serve as a basis for the aforementioned theory and the practical results.

In order to test the reliability of the results obtained in this project, comparisons and predictions were made of the behavior of deposits which had already been subjected to predictions, using other models; and in every instance rather similar results were obtained.

Paytuvi disclosed that this simulation system is being used by CORPOVEN in the Eastern Division, with headquarters in Anaco, and its main office in Caracas.

In conclusion, he recommended making the maximum possible use of it, with the proper training of personnel.

#### LAGOVEN Injection Projects

Caracas EL UNIVERSAL in Spanish 9 Oct 80 Sec 2 p 7

[Text] LAGOVEN will recover over 500 million additional barrels of oil from the Lagunillas-5 deposit in Lake Maracaibo, with the use of water injection. This is only one example of the potential of this system for the Venezuelan deposits.

But, in order to make use of this potential, in many cases a more sophisticated treatment will be required than the type that has been used for water injection, because of the fact that the new recovery projects will be undertaken mainly in less permeable deposits and with more viscous crude than usual.

This information is contained in the study entitled "LAGOVEN's Plans for Treatment and Water Injection at Lake Maracaibo," a report submitted by this branch of Venezuelan Petroleum at the meeting of ARPEL experts, a function which is under way in Caracas.

The importance of this report (the author of which is Alberto Briceno, supervisor of mechanical engineering in the Production Department) lies in the fact that the secondary recovery of oil from water injection in the deposits offers great prospects for the Venezuelan oilfields, particularly those of LAGOVEN at Lake Maracaibo.



In recent years, this company has put new injection plants into operation in four deposits in Bachaquero, the center of Lago and Lagunillas, some of them by way of a test. This year, they started two more pilot projects, and the equipment has already been ordered for other plants to be put into service in 1981.

The report in question discusses the progress of the project whereby the PB-1 water injection plant, the first one operating with a water filtration and treatment plant, was established in July 1979.

As a point of departure, engineer Briceno's report emphasizes that the quality of the water in secondary recovery projects is vital. The report notes that the water in Lake Maracaibo can be treated with a reliable, economical process to obtain good quality and that, in general, it is compatible with the connate water of the oil-bearing deposits.

Water injection in Lake Maracaibo is not a new system. In 1959, according to Briceno, Creole was using that system with successful results.

The expert explained that, after nationalization, it became evident that water injection had to be expanded in more difficult deposits, and top quality water was obviously needed. To obtain it, it was concluded that the most efficient method was the treatment of water from Lake Maracaibo. That process consists of primary and secondary filtration, chlorination and supplementary chemical treatment.

Both the treatment plant and the injection plant are completely automatic.

The LAGOVEN engineer notes in conclusion that, after a year of operation of the first of these plants, it was decided that they could filter, consistently, over 90 percent of the solids suspended in the water from Lake Maracaibo.

#### Venezuelan Projects Surveyed

Caracas EL UNIVERSAL in Spanish 8 Oct 80 Sec 2 p 5

[Text] At the present time there are in progress in Venezuela 182 secondary recovery projects using conventional gas and water injection, with an estimated total daily production of 880,000 barrels of oil, from which it is expected to obtain approximately 6,000 additional barrels in the future.

This information was disclosed by engineer Juan Bautista Araujo, from Venezuelan Petroleum's Production Coordination Office, while discussing the diagnosis and expectations for secondary recovery using convention gas and water injection, in the presence of the delegates to the 38th meeting of ARPEL experts being held at present in Caracas.

Engineer Araujo explained that conventional water and gas injection, or combinations of both elements, have been used extensively in Venezuela to obtain additional oil, particularly in the deposits which store crude of the medium and light types, and, to a lesser extent, those with heavy and extra-heavy crude.

In providing details, engineer Araujo said that, of the 182 projects currently in progress, 113 are for gas injection, with a production of 320,000 barrels per day; 64 are for water injection, with a production of 300,000 barrels per day; and five are for simultaneous injection of gas and water, with a production of 260,000 barrels per day.

He emphasized that the daily production resulting from these projects accounts for approximately 40 percent of the national production.

As for the future, engineer Araujo observed that the 10-year forecast for the entire Venezuelan oil industry calls for the development of 1.1 billion additional barrels of oil reserves. Also, in his prediction, Araujo added the estimate that there are about 200 deposits capable of producing, together, from 1 to 3 billion additional barrels of oil, 70 percent of which would be light and medium oil.

Engineer Araujo also explained that the data and results of the active projects submitted in his report were updated to 31 October 1978, based on the reports on projects in progress sent by Venezuelan Petroleum's operating branches at the beginning of 1979.

He concluded his explanation by stating that water and/or gas injection has proven effective in recovering additional crude.

Engineer Araujo commented in addition that the effort for conventional gas and/or water injection, insofar as the number of projects is concerned, has been more extensive in the Eastern region. However, since there exists in that region a complex stratigraphic structural configuration, with light lenticular sands, it is impossible to carry out projects of the same magnitude as those in the West. Hence, the potential and additional reserves produced by the projects in the West are greater.

In his recommendations, Araujo advised a more exact determination of the volume of gas reserves stored by injection, and also setting the date for, and putting into effect a policy of deflation, that would take into consideration the total or partial substitution of gas injection with water to maintain the energy of the deposits. This would represent the beginning of tertiary recovery.

As a result, he also recommended a review of all the active and inactive deposits in which fluids were injected in the past, to establish an inventory of deposits to which tertiary recovery could be applied. For this purpose, a study must be made of the type of process that is applicable, and there must be a determination of its feasibility, through laboratory and field tests.

He also cited the feasibility of studying each of the 125 projects, the list of which he submitted in an annex to his report, and any other one that the operators of Venezuelan Petroleum consider advisable, to determine the feasibility of any kind of secondary recovery. In order to do this, an inventory must be taken and a timetable must be established for studies and implementation.

In his seventh recommendation, engineer Araujo considered the possibility of injecting CO<sub>2</sub> or nitrogen in a pilot deposit, to assess the feasibility of injecting these substances and the related costs. If the experimentation with either of the aforementioned fluids should prove successful, they would be preferred over the use of natural gas.

## Use of Gas Compressor

Caracas EL UNIVERSAL in Spanish 9 Oct 80 Sec 2 p 7

[Text] "The location of a compressor plant is made basically through a selective process which takes into account, essentially, the relative position of the gas sources." This statement was made by engineer Alfredo Perez, from MENEVEN [a PETROVEN subsidiary], in the report entitled "Design, Construction and Operation of Gas Compressor Plants in Eastern Venezuela," which was submitted for consideration at the 38th meeting of ARPEL experts held in Caracas from 6 to 8 October, under the auspices of Venezuelan Petroleum, and which focused on the subject of the various secondary recovery methods used in Venezuela and in the different countries affiliated with the Latin American Petroleum Industry Mutual Aid Association.

The report enumerates the procedures that are followed when, for production and operational reasons, it becomes necessary to build a compressor plant. It then details the actual design of the compression process, and establishes the operational variables required and the design of the instrumentation and the pneumatic and electrical control systems.

Among the conclusions, it maintains that, "Coordination among the personnel responsible for the operation of the gas compressor plant and the personnel charged with the design is essential, for the purpose of including in the latter details that will improve and facilitate the operation of future plants."

It also stresses that the efficient operation and handling of gas demand a complete understanding of the area, and of the systems and installations related directly to production, as well as experience, technical ability and decision-making power among the personnel heading the plant.

An important recommendation in this report states: "The dynamics and expansion of the oil industry in the Eastern part of the country since the nationalization of oil and the development of the Orinoco Petroliferous Belt whereby the extraction of heavy crude will take place necessitate the establishment of a training and skills program, so as to incorporate the new techniques which are needed for the efficient execution of the projects associated with secondary recovery."

It explains the advantages accrued from gas injection, arguing that when there is little or no market for the gas produced, the injection of the latter into suitable deposits is economical, and provides a reservoir of high pressure gas that can be used when the local demand is developed. It also notes that, since the gas is lighter than the oil, the injected gas tends to form a well-defined artificial layer of gas even in formations with a pitch that is not deep. It concludes by stating: "If the product is extracted from lower down in the stratum, this becomes a source of energy conservation and the production scales can be kept high."

## Peruvian Projects Discussed

Caracas EL UNIVERSAL in Spanish 9 Oct 80 Sec 2 p 7

[Text] "In every secondary recovery project, the most difficult factors to predict, and hence those with a critical effect on the economy of the project, in comparison

with primary operations are: the determination of the reserves developed by the injection, the production system and the operating costs. All these factors, in turn, depend largely on the technological resources that are available." The foregoing statement was made by engineer Alcibiades Sosa Palomino, of the Peruvian State Petroleum Agency (PETROPERU), during his report entitled "Secondary Petroleum Potential Existing in La Brea and Parinas," in the course of the 38th meeting of ARPEL experts on the subject of secondary recovery, which is under way in Caracas, organized by Venezuelan Petroleum.

In the initial part of his remarks, Sosa Palomino gave a definition of the concept of "secondary recovery," which he considered in its broader sense as "the process whereby a fluid is injected into a deposit to displace and increase the final recovery of oil deposited in that reservoir.

"Included in this definition are both the processes for injection of fluids in the reservoirs whose development has been discontinued because they have reached an advanced state of depletion, and the so-called pressure maintenance operations which are carried out in new reservoirs or those which are only partially depleted."

He cited the injection of water and gas as the most common methods of secondary recovery.

#### Heavy Crude Recovery

Caracas EL UNIVERSAL in Spanish 9 Oct 80 Sec 2 p 4

[Text] "Inasmuch as, with gas injection, the environmental protection problems are minimal and this is essentially a conservation technique, it should be included in the possible methods for improving recovery in certain heavy oil deposits." This statement was made by engineer Antonio Martinez, representative of the MENEVEN company, a subsidiary of Venezuelan Petroleum, at the 38th meeting of ARPEL experts which convened in Caracas from 6 to 9 October.

"The large amount of energy required to maximize oil recovery, as well as the production, transportation and processing of oil, make it necessary to use techniques which will reduce energy consumption to a minimum. Gas injection is one of these techniques, since it does not require large amounts of fuel and it reduces the operational problems involved in treatment."

In his report on "Additional Recovery Through Gas Injection in Heavy Oil Deposits," engineer Martinez explained that, in the MENEVEN deposits, 133 wells have been completed, 94 of which are producers, with an average accumulated production per well of 1.2 million normal barrels, while the present production for the four deposits is approximately 16,500 barrels per day. The results accrued to date have shown that the recovery has exceeded the estimates originally made for each one of these deposits.

#### Carbon Dioxide Injection

Caracas EL UNIVERSAL in Spanish 9 Oct 80 Sec 2 p 4

[Text] Engineer Leopoldo Larsen, from the Argentine company Government Oil Deposits, told the participants in the 38th meeting of ARPEL experts, an event sponsored by



Venezuelan Petroleum which is currently under way in Caracas, that secondary recovery with the use of carbon dioxide injection has proven successful recently as a process for increasing the recovery factor in oil-bearing deposits.

In his discourse on the topic "Application of Carbon Dioxide for the Assisted Recovery of Oil," Iarsen stated that, when the carbon dioxide is dissolved in crude, as a rule certain changes occur in the latter which are the reason for the increase in the final recovery, changes such as a reduction in the viscosity of the crude and its expansion. He added that the high degree of solubility of carbon dioxide in oil, its capacity to extract the light and medium components therein and, eventually, the acidic effect that it may have on a certain type of rock, must be considered to be favorable factors.

"The viscosity decreases considerably from the dissolution of carbon dioxide in crude. This effect is more noteworthy in crude that is not very light, in which sizable declines in the viscosity due to the effect of the carbon dioxide may be observed."

The reporter added that the capacity of the carbon dioxide to extract not only the light components but also the medium ones allows it to be used in deposits which have lost their lighter components during primary recovery.

#### Ecuador's Efforts Reported

Caracas EL UNIVERSAL in Spanish 8 Oct 80 Sec 2 p 17

[Text] "The hydrocarbon activities in Ecuador began in 1920, with the discovery of petroleum accumulations on the Santa Elena Peninsula, located on the Ecuadorean coast. The oil, which is the principal product, is light crude, and comes from a large number of accumulations contained in many quartziferous sands separated by shale intercalations which are part of the bodies known as Socorro, Santo Tomas and Atlanta. These formations are located at depths of approximately 1,000-5,000 feet, and are from the Eocene Age."

The report from the Ecuadorean State Petroleum Corporation (CEPE), entitled "Development of Secondary Recovery in Ecuador," was based on research work done by engineers Lupercio Arteaga, Jose Endara and Fernando Albuja, and was delivered at the 38th meeting of ARPEL experts. It dealt with the history of secondary recovery in that country, the work accomplished and the results accrued.

Engineer Jose Endara, who presented the aforementioned report to the participants and observers at the ARPEL function, explained: "The most widely accepted theory at present regarding the probable origin of the sediments on the Santa Elena Peninsula is that considering them to be an olistostromic complex, that is, a fundamentally clayey matrix containing isolated bodies known as olistolites, of highly diversified sizes, which comprise the hydrocarboniferous deposits."

The commercial exploitation of hydrocarbons on the Santa Elena Peninsula dates back to 1921. Since then, several companies, with their respective concessions totaling an area of 10,000 hectares, have drilled over 2,700 wells, of which only 650 are now in production, the rest having been closed and abandoned.

Engineer Endara remarked that the accumulated production obtained from these wells as of 30 June of this year was about 107,690,000 barrels. The rapid decline in the wells at the beginning of their development, the virtually nonexistent water production and the change in crude production suggest that the preponderant mechanism for expulsion of the fluid was the pressure from the dissolved gas that was released.

In discussing the work done on the development of secondary recovery with the ARPEL experts, Jose Endara said: "The considerable decline in the production from the wells was initially concealed by the drilling of extension, development and filler wells, owing to the results from the stimulation work and the implementation of artificial production systems (mechanical pumping, and pneumatic and piston pumping). However these activities eventually reached a limit, and hence there occurred an intensive reduction in production."

The representative of the Ecuadorian State Petroleum Corporation, speaking on behalf of his company, stressed the interest in undertaking an intensive rehabilitation program for the oilfields on the Santa Elena Peninsula, to increase their present production level, while simultaneously affording a continuation of the pertinent studies to make a geological model of the area that would make it possible to learn in detail the geometry of the deposits, their variations in thickness, the types of boundaries and also the variations in the petrophysical properties. This detailed geological model will be the basis for the future proposal and implementation of a secondary recovery process in the fields on the Santa Elena Peninsula.

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CSO: 3010

INTER-AMERICAN AFFAIRS

TEXT OF PROPOSED VENEZUELAN-COLOMBIAN MARITIME AGREEMENT

Caracas EL UNIVERSAL in Spanish 22 Oct 80 Sec 1 p 12

[Text] At a special function held last night at Miraflores Palace, the president of the republic, Dr Luis Herrera Campins, turned over to the news media the draft agreement with Colombia on the demarcation of marine and submarine areas established, in their entirety, as a possible solution, by the Venezuelan and Colombian commissions during the sixth meeting, which took place in Caraballeda from 13 to 17 October.

The head of state released both the message which the members of the Venezuelan commission addressed to the foreign minister of the republic and the draft to each representative of the media at a ceremony in which he was accompanied by Foreign Minister Jose Alberto Zambrano Velazco. Following is the complete text of both documents:

Draft

Caracas, 20 October 1980

Citizen Dr Jose Alberto Zambrano, Minister of Foreign Affairs  
His Office

The Venezuelan delegation for the demarcation of marine and submarine areas with Colombia has the honor of reporting to the national government, through your worthy auspices, that, at the sixth meeting of the negotiating commission for that demarcation, held at Caraballeda from 13 to 17 October, it succeeded in establishing, in its entirety, a possible solution for the aforementioned demarcation, which has been put in the form of a draft.

The delegations agreed to submit it, each on its own, to their respective governments for consideration, so that they might be given instructions in the matter before the recessed meeting resumes.

The Venezuelan delegation has the honor of submitting to the national government this report, containing the aforementioned draft and the maps accompanying it, and takes the liberty of stating, at the same time, that, in its opinion, the draft which has been devised contains the maximum that can possibly be accrued from negotiations, attains the basic goals of Venezuela and guarantees the vital interests of the nation.

The result achieved is the product of consistency in the fundamental goals that have been sought throughout the 12 years of negotiations, and of the coherence of the entire process during its various phases, wherein the solution that is being submitted for your consideration was slowly but surely formulated and backed.

The proposed draft consolidates and definitively establishes Venezuela's exclusive jurisdiction and complete sovereignty in all the waters south of the Castilletes parallel; that is, the waters included between Venezuelan coasts. It extends that jurisdiction and sovereignty further still, because it integrates the marine areas produced by the Los Monjes archipelago with the waters south of the parallel, in a single zone of anterior waters, by drawing straight lines between Monje del Norte and Punta Macolla in Paraguana, and from there in the direction of Cabo Chichibacoa, as far as where it touches the demarcation line between Guajira and Los Monjes. It is acknowledged that the aforementioned archipelago produces all its maritime jurisdictions, that is, territorial sea, continental shelf and exclusive economic zone, with the latter extending as far as the median line of the Caribbean, opening in a fan shape westward, so that it ends at West meridian  $71^{\circ}21'00''$ , which is farther west than the meridian where the terrestrial border with Colombia ends; in other words, west of the Castilletes meridian. In this way, there is achieved for Venezuela, despite the geographical structural projections that the island of Aruba and the La Guajira peninsula represent for it, an exclusive maritime economic zone in the west, compatible with the country's continental front, because Aruba, at the time, agreed to turn the line of demarcation toward the east, and now Colombia has agreed to turn toward the west.

In the draft, the lines of demarcation are determined on the basis of geographical coordinates, and are drawn on the attached charts. Hence, we deem it feasible to give a description of them which will underscore their significance and location.

First Section: Starting at the point of Castilletes, where the terrestrial border reaches the sea, continuing along the corresponding parallel as far as the median line between the Paraguana peninsula and La Guajira. Intersection point B is equidistant from the closest points on the coasts of Venezuela and Colombia.

Second Section: From point B, continuing along the median line between Paraguana and La Guajira as far as point C, called that of triple equidistance; that is, the point at which the closest coasts of Paraguana, Monje del Sur and La Guajira are equidistant. This point is, at the same time, the one that reflects the fact that, starting from it, the demarcation is no longer between Paraguana and La Guajira, but rather between Los Monjes and the latter.

Third Section: From the point of triple equidistance, a line tangent to the 4-mile circumference which has Monje del Sur as a center.

Fourth Section: From point D, a line passing 4 miles west of Monje del Sur and Monje del Norte and, with the same azimuth, continuing until it meets West meridian  $71^{\circ}21'$ , almost in the center of the Caribbean.

Fifth Section: From point E, along the aforementioned meridian to the point where the jurisdiction of a third state, in this case, the Dominican Republic, is reached.



The draft includes the drawing of the straight base lines mentioned previously, north of which the territorial sea, the contiguous zone and the exclusive economic zone will be measured, and south of which lie Venezuelan interior waters. The draft also calls for the solution of matters related to every treaty on demarcation of interior waters, territorial seas or continental shelf, such as those associated with the unification of oil deposits in the event that any are cut by the demarcation line, and with navigation.

Insofar as the former are concerned, it should be emphasized that the draft uses the term "deposit," and not "geological structure" or "field," which are the usual terms in international treaties of this type, and are also those used by Venezuela in its treaty with the Kingdom of the Netherlands. The use of the term "deposit" is aimed at preventing any extensive interpretation, and hence it selected the most restricted word possible, namely, "deposit." In order to achieve this, there was agreement on the method of distributing in halves the hydrocarbons extracted from deposits cut by the demarcation line but subject to the condition, in such an instance, that half of the costs be assumed. Although this method is not the one most often used in private industry or in international demarcations, it is not for that reason unusual in them, and examples of its use have occurred in many instances. In the one of concern to us, apart from the reason cited previously, it was considered advisable because it precludes the long, expensive process of determining from the outset the size of the deposit and the proportion of each therein, which would be a source of constant friction, in the event that there were really deposits cut by the demarcation line.

Insofar as navigation is concerned, innocent passage is stipulated for the interior waters resulting from the straight base lines, but regulated restrictively, and in instances especially defined in the treaty. Venezuela is thereby assured passage through the Colombian area for ships either of Venezuela or of third country registry, which need to pass through that area enroute.

It is also stipulated that the states will negotiate agreements on certain matters of mutual concern, such as fishing, the use and conservation of living resources, the safety of navigation and control of pollution.

Not included were provisions regarding instant pursuit and overflight, because it was thought that, in this case, Venezuelan interests might be harmed rather than benefited, and that it would run counter to what it has been desired to achieve by consolidating the nature of the waters south of the Castilletes parallel as interior. The latter has been Venezuela's priority objective in its foreign policy since 1940, ratified expressly in all phases of the negotiations for the demarcation of the marine and submarine waters between Venezuela and Colombia.

The Venezuelan delegation wishes to express its gratitude to the national government, in particular, for the high honor conferred upon it by having been entrusted with such an important task, and in all humility trusts that it has done its duty.

The Venezuelan delegation awaits any instructions that the national executive branch may decide to give it for conducting this final phase of the negotiations that have been assigned to it.

Sincerely,

Gustavo Planchart Manrique, Elio Orta Zambrano, Luis Herrera Marciano, Pedro Nikken

## Preamble

The Government of the Republic of Venezuela and the Government of the Republic of Colombia,

Considering:

The traditional bonds of friendship and brotherhood that exist between the two nations, inspired by the ideals of the liberator, Simon Bolivar;

The need for cooperation between the two peoples, brought about by history and geography;

The extension of the jurisdiction of the riparian states to new marine and submarine areas by virtue of the development of international law;

The need to make a demarcation of the marine and submarine areas between the two countries;

The obligation incumbent on the states to resort first to direct negotiation, so as to reach agreement on matters of common concern;

The efforts of consecutive governments of both countries to arrive at an agreement the equity and justice of which will satisfy the two nations;

Have resolved to conclude a treaty, and have named as their plenipotentiaries for this purpose:

The President of the Republic of Venezuela, Dr Luis Herrera Campins,

The President of the Republic of Colombia, Dr Julio Cesar Turbay Ayala,

Who, having exchanged their full powers and found them in good and proper condition, have agreed on the following:

## Article 1

The demarcation of the respective marine and submarine areas between the Republic of Venezuela and the Republic of Colombia, which include: interior waters, territorial seas, continental shelves, exclusive economic areas and any others which have been or may be established by the parties, in accordance with international law, is as follows:

Section 1: Starting at the point on which the terrestrial border reaches the sea, continuing along the North parallel  $11^{\circ}51'07.41''$ , which corresponds to the latitude established in Act No 4, dated 30 March 1930, by the Colombian and Venezuelan border commissions, as far as point B, the coordinates of which are the following:

North latitude:  $11^{\circ}51'07.41''$

West longitude:  $70^{\circ}43'37.374''$

Section 2: From the aforementioned point B to point C, the coordinates of which are the following:

North latitude: 12°00'01.785"  
West longitude: 70°41'45.698"

Section 3: From the aforementioned point C to point D, the coordinates of which are the following:

North latitude: 12°20'12.252"  
West longitude: 70°58'06.490"

Section 4: From the aforementioned point D to point E, the coordinates of which are the following:

North latitude: 14°58'24.54"; 14°56'40.537". Subject to revision of calculations.  
West longitude: 71°21'00"

Section 5: From the aforementioned point E, following meridian 71°21'00" northward, as far as the border with a third state.

The coordinates cited relate to Datum "La Canoa" (Venezuela), the coordinates of which are:

North latitude: 08°34'17.17"  
West longitude: 63°51'34.88"

## Article 2

The territorial seas and contiguous zones that have been or are established, the continental shelves and the exclusive economic zones of the Republics of Venezuela and Colombia between the La Guajira and Paraguana peninsulas, demarcated in Article 1, extend from the following lines:

First line: From Point Macolla (North latitude: 12°05'45.19"; West longitude: 70°12'48.50") to Monje del Norte (North latitude: 12°29'42.50"; West longitude 70°55'18.38").

Second line: From Monje del Norte to Cape Chichibacoa (North latitude: 12°17'40.70"; West longitude: 71°13'35.50").

These lines have been established by each party within its respective jurisdiction demarcated in this treaty.

The waters contained between the aforementioned lines and the respective coasts are interior waters of one or the other country, demarcated as indicated in Article 1.

## Article 3

Subject to the regulations contained in this article and in international law, each party establishes innocent passage through its interior waters demarcated in this treaty for:

- 1) Merchant vessels of any nationality enroute to ports of either party or sailing from them bound for different maritime areas;
- 2) Vessels of Venezuelan or Colombian registry, either publicly or privately owned, used for commercial purposes, including the transportation or utilization of natural resources which:
  - a) Arriving from ports or interior waters of either party, are enroute to ports of the other, or to different maritime areas, or,
  - b) Arriving from different maritime areas, are enroute to interior waters of the states whose flag they are flying.

The provisions of this number 3) will also apply to vessels of other registries which are in the service of one of the parties, provided this relationship with the respective vessel has been reported in advance to the other party.

First Paragraph: The vessels which exercise the right of innocent passage cited in this article must observe the laws and regulations issued by the respective state for purposes of safe navigation, prevention of pollution and other matters stipulated in international law.

Second Paragraph: The passage mentioned in this article must be made by a direct route geared to the convenience of shipping, and must be rapid and uninterrupted. Ships may not stop nor drop anchor except in the instances cited in international law.

#### Article 4

In the event that a hydrocarbon deposit extends to both sides of the demarcation line established in this treaty, each party will carry out the exploration and development of the deposit within its own maritime areas, and will share half of the hydrocarbons extracted therefrom; but it must then assume half of the pertinent costs.

When one of the parties is of the opinion that a deposit explored or developed by the other extends to its side of the demarcation line fixed in this treaty, it must notify the other of this. When that notification has been made, the parties will exchange the data and information on the subject which they possess and, by mutual agreement and in a spirit of cooperation, will conduct the studies, exploration and prospecting required in accordance with the technical standards and procedures generally used, to determine whether there is actually a deposit with the features indicated.

Both parties will abide by the technical standards and procedures in order to insure maximum final recovery of the hydrocarbons contained in the deposit.

#### Article 5

In connection with the areas demarcated in this treaty, the parties will negotiate agreements on matters of mutual concern, such as fishing, the utilization and protection of living resources, safety of navigation, sports and tourist navigation,

the control and reduction of pollution in the marine environment, the installation of pipes and cable and scientific research.

#### Article 6

Any differences between the parties relating to the interpretation or execution of this treaty will be resolved in accordance with the pertinent regulations in the treaties which are in effect between them, and through other means of peaceful solution recognized in international law.

#### Article 7

For its approval, this treaty will be subject to the constitutional procedures of each party, and it will go into effect at the time that the exchange of the instruments of ratification is made.

The lines established in this treaty have been drawn by way of illustration on nautical charts No DHN-100, scale 1:300,000 and DHN-001, scale 1:1,650,000 of the Venezuelan Bureau of Hydrography and Navigation, two copies of each of which, signed by the plenipotentiaries, are annexed to this treaty and form an integral party thereof.

In witness whereof the aforementioned plenipotentiaries have signed this treaty.

Concluded in the city of ..... on the date..... in two copies of the same content and identical value.

#### Description of the Line

First Section: Starting at the point of Castilletes, where the terrestrial border reaches the sea, continuing along the corresponding parallel as far as the median line between the Paraguana peninsula and La Guajira. Intersection point B is equidistant from the closest points on the coasts of Venezuela and Colombia.

Second Section: From point B, continuing along the median line between Paraguana and La Guajira as far as point C, called that of triple equidistance; that is, the point at which the closest coasts of Paraguana, Monje del Sur and La Guajira are equidistant. This point is, at the same time, the one that reflects the fact that, starting from it, the demarcation is no longer between Paraguana and La Guajira, but rather between Los Monjes and the latter.

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Fourth Section: From point D, a line passing 4 miles west of Monje del Sur and Monje del Norte and, with the same azimuth, continuing until it meets West meridian 71°21', almost in the center of the Caribbean.

Fifth Section: From point E, along the aforementioned meridian to the point where the jurisdiction of a third state, in this case, the Dominican Republic, is reached.

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CSO: 3010



VENEZUELAN REACTION TO DRAFT MARITIME AGREEMENT WITH COLOMBIA

Caracas EL UNIVERSAL in Spanish 22 Oct 80 Sec 1 p 14

[Text] COPEI Appointed a Committee To Analyze It

Yesterday afternoon, COPEI's [Social Christian Party] National Committee began an analysis of the draft agreement between Venezuela and Colombia for the demarcation of marine and submarine areas in the Gulf of Venezuela, which was submitted to it by the president of the republic, Luis Herrera Campins.

After noon, the top-ranking leadership of COPEI, headed by Drs Pedro del Corral, president for life; Godofredo Gonzalez, acting president; Eduardo Fernandez, secretary general; and Aristides Calvani, assistant secretary general for political affairs, received from the head of state a small plastic folder containing the draft agreement with Colombia arrived at by the negotiating commission chaired by Gustavo Planchart Manrique. Upon leaving the meeting, Dr Godofredo Gonzalez told reporters:

"We have decided to convoke the party's National Committee immediately, and we shall propose the assignment of a high-level committee to study this document and to submit a report subsequently. Until that is done, we cannot release any information, much less express an opinion, because we have just now received the document that I have mentioned.

"We conversed with the president a little about everything, not just this topic, and our conversations have always been satisfactory and cordial. Both the negotiating commission and the government as a whole have been dealing with the demarcation issue in a very patriotic manner."

Democratic Action.. CEN Begins Its Examination Today

Today, Democratic Action's [AD] National Executive Committee [CEN] will make its first analysis of the documents submitted by the government concerning the negotiations with Colombia to demarcate marine and submarine areas.

Yesterday in Miraflores, shortly after he had met with President Herrera Campins, Gonzalo Barrios remarked: "If the agreement can be signed immediately because there is consensus, there is no reason to waste time."

Barrios, Alejandro Izaguirre, Reinaldo Leandro Mora, Arturo Hernandez Grisanti and Simon Alberto Consalvi comprised the AD delegation which conversed with the president and received the report from the Venezuelan negotiating commission.

The white party announced that it would make its studies and request all the pertinent supplementary information.

After the meeting, Senator Barrios made statements, but refused to express in-depth views concerning the matter.

"I don't think that it is very important," he remarked, when one of the newsmen asked him his personal opinion concerning the present status of the talks between the two countries.

He claimed: "We must consider that the Venezuelan negotiators have done a good job, and we cannot doubt their patriotism and the good faith that they have shown during the course of the talks.

"If there is consensus, if the public reaches the conclusion that the draft settlement is honorable and feasible, we too shall give our support."

The AD president did not indicate how long it would take that organization to establish its position regarding the documents supplied by the government.

"What procedures will AD follow in this matter?"

"I can tell you that we shall carry out our plan, which consists of informing the CEN first, and then the parliamentary faction."

"Is an agreement with Colombia imminent?"

"I would not dare to express a view on the matter. I think that any statement in one direction or another would be very indiscreet, because there are still many views to seek and many reactions to await."

"In the event that the demarcation is not achieved this time, should the talks continue?"

"Of course, until the issue is settled, it would be ideal to be able to continue talking."

In response to another question, he stressed the fact that, "Up until now, we have thought that they (the Venezuelan negotiators) have done a very good job, that they have acted very skillfully, and that it is to be hoped that the results of that effort will be positive."

"Could not the position of the retired military who have published newspaper articles cause a certain concern in the country or among the Armed Forces?"

"Well, that is a view that you may have obtained among the Armed Forces or on the street; I have a personal opinion, just as you do...."

"Are there political conditions in the country conducive to the signing of the agreement?"

"There has always been a great deal of sensitivity among the public concerning this issue, whenever the settlement has been attempted. But it all depends on the nature of the settlement. Once the public learns about it, or becomes familiar with the draft, and the background and the consequences of a lack of settlement are explained, then it is very likely that there will be consensus, so that there will be no cause for major differences."

"Should the demarcation be signed now?"

"That is a lesser, secondary point. I repeat, it all depends. If the study of the issue and the view expressed, as well as the effect that familiarity with the draft has on public opinion, show that there is consensus, then there is no reason to propose nor advocate an extension of the talks."

Gonzalo Barrion did not reject the possibility of the appointment of a special committee in AD to analyze the draft.

And, in the concluding portion of his statements, he noted that the white party leaders had discussed generalities involving the matter with President Herrera.

"The concrete material is contained in the documentation that has been given to us and that will be made public."

#### MAS, MEP and URD Will Study It Carefully

Upon receiving from the president of the republic the report from the negotiating commission dealing with the Colombian-Venezuelan dispute, the top-ranking leaders of the MAS [Movement for Socialism], URD [Democratic Republican Union] and MEP [People's Electoral Movement] parties stated that they would study it carefully, in order to establish a definitive position.

Those political leaders also repudiated some statements opposing the agreement between the two countries, which they described as "jingoist and chauvinist."

These leaders were received by the head of state, Dr Luis Herrera Campins, and the minister of foreign affairs, Dr Alberto Zambrano, at Miraflores Palace.

The democratic consultation concerning the dispute began at 1200 hours, and was attended by the leader of all the nation's parties. The first to arrive were those from COPEI, followed by those from AD and, subsequently, those from MAS, URD and MEP. During the evening, those from PCV [Communist Party of Venezuela], Vanguard and MIR [Movement of the Revolutionary Left] were received.

#### MAS

Senator Pompeyo Marquez and Deputy Teodoro Petkoff, the MAS secretary general and president, respectively, reported on the discussion with the president.

Marquez disclosed that they were given the letters which the foreign minister sent to the president and that from the chairman of the negotiating commission to the foreign minister, as well as the maps showing the demarcations.



He said that they would take these documents to the members of his party's leadership to be analyzed, and that an opinion would be expressed later.

"We take advantage of this occasion to say two things: First, we are opposed to the feeling of hatred for the Colombian people that has arisen; and, second, we are also advocates of an agreement with Colombia on the most reasonable terms, wherein the interests of the nation, and its sovereignty, are fully protected."

The MAS secretary general expressed the view that, in the friendly relations with Colombia, there should be a discussion of a group of situations, including the development on the border strip, such as the shipping on rivers, and Venezuela's rights to compensation stipulated in other treaties, which should be brought to the negotiating table immediately after an agreement has been signed or not signed.

URD

In attendance representing the Democratic Republican Union were Humberto Bartoli and Simon Antoni Pavan, its president and secretary general, respectively.

Senator Antoni Pavan stated that they would study the report from the negotiating commission carefully, and gave assurance that his party would decide on the issue in a manner "which is most beneficial to the nation."

"Without suspicious jingoism, and also without the disarmament of a soft position that might prompt us to make concessions "

"Does URD favor reaching an agreement with Colombia at the present time?"

"We have always believed that an agreement with Colombia would be good and beneficial. As for the occasion, we shall study it. But what I mean to say is this: the occasion of any type of negotiation is contingent on its content, and not the time when it takes place. If the content is bad, the occasion will always be bad; and if the content is good, the occasion will be good."

MEP

The president and secretary general of MEP, Drs Luis Beltran Prieto Figueroa and Jesus Angel Paz Galarraga, respectively, were the last to be received at the afternoon session. They were accompanied by Dr Alvaro Silva Calderon.

When Dr Prieto was asked about the MEP's opinion of the report, his reply was as follows:

"MEP cannot have proud thoughts when the president, in receiving us, did so privately. The issue is one of a very special nature, and no show must be made of it. We received the report from the president; we shall study it carefully, and offer our views, which we shall announce to the president through the foreign minister of the republic."

The MEP leader added that the interests of the nation will at all times take precedence over the interests of the party and its leaders.

"What is your opinion of the statements opposing the agreement that have been made by certain sectors?"

"Well, everyone has his own point of view. Ours is different. It is our judgment that the matter should be studied and that if it is possible to reach an agreement that will benefit the country's interests, it should be signed."

Vice Admiral (ret) Larrazabal: 'I Share the Manifesto of the Retired Military'

The former president of the Government Junta, Vice Adm (ret) Wolfgang Larrazabal, expressed solidarity with the content of the manifesto from a group of retired military men, particularly with regard to the view of "not a millimeter of the Gulf of Venezuela to Colombia."

He said: "We military in retirement are Venezuelans, and we feel like Venezuelans. I join them, because the fact is that we must all feel together in our own devotion to Venezuela."

"Do you share their opinion?"

"Yes, I share their opinion."

"Even that related to the claim 'not a millimeter of the Gulf of Venezuela to Colombia'?"

"I don't think that this is under discussion." He repeated: "I don't think that this is something under discussion."

He explained: "It seems to me that what is being done is really new, and will lead us safely to consider our universal position. In other words, when the people know what is confronting them and when the people are informed, then they are a people who can see, and that is important."

"Do you share the theory of an agreement with Colombia?"

"I think that what is important to Venezuela, Colombia and every nation in the world is that we live in peace, with the intention of becoming developed. This is what is being sought, and I believe that the individuals directly involved in this should have that view."

"Do you think that an agreement can be reached with Colombia on the basis of the report from the negotiating commission?"

"For the present, I hope that this report will fulfill my aspirations for Venezuela, and I hope that it will be such that Venezuela will have what belongs to it, and Colombia will have what belongs to it, and that we shall live in peace."

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CSO: 3010

INTER-AMERICAN AFFAIRS

SMUGGLING OF HONDURAN CATTLE TO EL SALVADOR, GUATEMALA

San Pedro Sula LA PRENSA in Spanish 9 Oct 80 p 30

[Text] Tegucigalpa--Smuggling of live cattle to El Salvador and Guatemala has continued to constitute one of the prime sources of revenue for a group of individuals who supposedly count upon the complicity of the authorities who are responsible for watching over the region that borders on those countries.

Cattle dealers in the region have reported that the disappearance of heifers, young bulls, and other types of milk and meat animals constitutes a regular activity that relies on tacit indifference on the part of the authorities, especially the police.

It is estimated that a monthly average of 1 to 12 thousand animals illegally leave the country, with Guatemala and El Salvador as their destination, through the notorious "blind spots."

According to the cattle dealers, "the strange thing is that on more than one occasion we have indicated the blind spots to the authorities and have told them which days are most propitious for an en masse capture of cattle thieves in full operation, but the authorities apparently consider those reports as groundless."

Moreover, better prices are offered per head of cattle in El Salvador and Guatemala than in Honduras, an incentive which could be worth the risk of smuggling the animals.

The cattle dealers said that "the smuggling of live cattle has become a standard operation in the western zone and one of the most lucrative businesses for those who allow the animals to go out of the country."

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FAILURE OF DISARMAMENT TALKS TRACED TO WESTERN WEAKNESS

Buenos Aires LA PRENSA in Spanish 25 Sep 80 p 6

[Commentary: "Impossible Negotiation"]

[Text] Everything that is done to advance the cause of disarmament will always be considered commendable, even when we assume that disarmament, by itself, will not bring about world peace, since disarmament is not the precursor of peace, but on the contrary, its necessary consequence. In the pathetic dialogue of our times people have come to imagine, against all logic, that a limitation of the growing military might of the world would lead to the so longed for and so elusive goal of world pacification.

It is true of course that the superpowers and even the states which, because of their technological and industrial development, have some forces, may attempt to limit their own production and export of military parts and equipment. But to think that this will help to bring about peace is just a fantasy. The commitment to disarmament in Europe during the period between the two world wars, which included the courageous efforts of Aristide Briand, could not avoid the final cataclysm.

The reason behind these reflections is the letter sent by the chancellor of the Federal Republic of Germany, Helmut Schmidt, to the Soviet leader, Leonid Brezhnev, urging the control of arms production. There is no doubt, nor should there be any, that the attitude of the German politician is inspired by his strong desire to moderate the opposing parties, and even to act as a possible mediator between them, because of the alarming tensions existing between communism, directed from Moscow, and the free nations of the west.

But what is in doubt, and strikes even the least attentive observer, is the effectiveness of this posture. If we accept the statement that disarmament is not a cause but the result of peace, it still remains to be learned whether the communist superpower has any real desire to disarm itself. In light of recent experience, the answer is obvious and unfortunately negative.

Soviet behavior, ever since the Helsinki agreements were signed 5 years ago, has been one of insincere promises of detente, a detente which was broken in reality by an aggressive and intolerant policy, as was shown so crudely both in Afghanistan and in Cambodia. In Afghanistan it was a direct aggression by means of the arrogant invasion of its armies; in Cambodia, the aggression was both indirect and calculated, by means of its obedient Vietnamese satellite.

Faced with this insincerity which became apparent almost at the time the accords were being signed, the western reaction has been negligent and naive, weak and vacillating. This was shown by the wishy-washy attitude, concealed under the guise of hoping to maintain a shaky status quo, displayed by the leaders of the liberal nations of Europe, including the chancellor of the Federal Republic himself. The results, which are an affront to the conscience of humanity, are now clear: the invasion by the communist forces of sovereign nations which were undefended, and have now been subjugated by force. These nations had no other recourse but to appeal to this sluggish conscience, because of their lack of military preparedness. This recourse, to put it in legal terms, was abandoned within the community of nations because of indecision and a lack of courage on the part of those responsible for making a decision.

This western weakness to which we refer, has just been demonstrated with the refusal of Belgium to take part with its troops--very few in number, incidentally--in the maneuvers to be conducted by NATO. No matter what may be the reasons behind this desertion, which the Belgian leaders are trying to explain with pretexts that do not hold water, such as the military coup in Turkey or socialist pressures, the fact is that the principle of solidarity that has reigned in this western defense alliance until now has been broken. When to this fact we add the paradoxical circumstance that the Atlantic Council, the supreme organ of the alliance, is to be chaired by the Belgian representative, then we have an accurate measure of the lack of confidence anyone can have in the defense mechanisms that the free world has available to counter a Soviet aggression. We should also mention the recent decision by Denmark and Holland to reduce their economic contribution to the support of this military organization.

So in light of what we have explained here, the west can expect little from this negotiation between the chancellor of the FRG and the Soviet leader. No one who displays the weakness and vacillation shown by the west can negotiate anything. The winner will always be the one who, like the Soviet Union, has brought to the conference table the unequal weight of its "fait accompli."



FINANCIAL SITUATION TERMED SOLUBLE WITHOUT IMF MEDIATION

Buenos Aires LA PRENSA in Spanish 28 Sep 80 p 8

[Text] In a climate that is pessimistic about the evolution of the world economy in the first half of the 1980s, the Board of Governors of the International Monetary Fund and the World Bank is meeting in Washington. High inflation rates, slow growth in production, disturbing recessionary trends in the industrialized nations, and a decline in the rate of growth of the volume of world trade are the main prospects, which we have already analyzed in our editorial on the IMF report.

The representatives of the 140 member nations are preparing to discuss not only the world's economic situation and the policies appropriate for dealing with it, but also the allocation of a broader role to the Fund in the adjustment and financing of balance of payments. The Fund is also prepared to take a more active role in the recycling of petrodollars and to use its great resources in a manner both flexible and prudent.

The International Monetary Fund was created in 1943 in Bretton Woods. At the end of World War II, monetary stability was considered essential for the economic recovery of an impoverished world. But because of earlier experience, which had led to the abandoning of the gold standard in the 1930s by most nations, a more elastic mechanism was needed: one also based on gold in the final instance, with fixed parities that could not be changed beyond a small percentage without authorization from the Fund. In summary, the new monetary system was based on gold through the dollar exchange standard (convertible at the rate of \$35 per troy ounce); its fundamental objective was monetary stability with parities of the exchange rates appropriate for the level of economic activity, jobs, and prices in each of the internal economies, as well as a stimulus for international trade.

The death certificate for the monetary system created at Bretton Woods was written when the growing deficit of the balance of payments of the United States forced President Nixon in 1971 to suspend convertibility. The organization survived the collapse of the system which it had been created to manage, and its directors set some other objectives. Meanwhile, the world is still waiting, in the expression of a noted English economist, for "the appearance of a new Keynes who will discover a monetary system that will do for monetary stability what he did for unemployment: eliminate forever the need to accept crises which had been considered inevitable and beyond the reach of government power."

The main aspiration of the Fund, repeated in a series of reports, is to make SDRs [Special Drawing Rights]--a paper gold created by the Fund at an insignificant cost as a new reserve currency--the main international reserve asset. This, shall we say, unrealistic purpose is very far from being achieved, as we see from the fact that on 30 June 1980, according to International Financial Statistics, the total reserves in the possession of the central banks and other institutions, measured in SDRs (gold, reserve position in the Fund, currencies, and SDRs), although gold was valued at only 35 SDRs per ounce, came to 323.425 billion, while the SDRs themselves, the paper currency, only came to 16.058 billion.

We should point out, along with the issues that will be discussed in the forthcoming meeting of the Board of Governors, that the world has not lost its confidence in the advantages of fixed parities, flexible only within suitable percentages when relative changes in the economic position of two or more countries so require, and with the prior approval of the members of the monetary system. This is shown by the European Community's creation of the EMS [European Monetary System], which was put in practice in 1979 to help monetary stability on the continent; it consists of a requirement that the participants not allow variations of more than 2.25 percent around the parity of bilateral rates between the parties to the agreement, the creation of the ECU [European Currency Unit], by using a basket of nine Community currencies as the center of the system, and the expansion of already established credit facilities. All this requires, of course, great internal price stability in each of the participating countries.

It should not be expected that the problems which today afflict the Argentine economy, which have been caused fundamentally by internal monetary and fiscal policies, and not by repercussions from the international economic situation, should be solved or alleviated by the expansion of the amount and terms of the credit lines of the Fund or by an increase granted by the Fund in the overall allocation of the Special Drawing Rights, according to the decisions adopted in the 35th meeting of the Board of Governors. Everything

suggests that the largest facilities will be granted to developing countries that are having acute balance of payments problems because of the oil price increases. Argentina has been reluctant to turn to the IMF seeking conditional credits, and has done so only in very critical situations. The last time it did so was in 1976, and from that time on the private capital market has been Argentina's main support for covering its imbalances in its current account or to increase the amount of its international reserves.

It seems more reasonable to think that the Argentine economic crisis may be overcome or remedied by means of the present system based on the de facto dollar standard with flexible exchange rates, but with a more realistic exchange parity, with a rate of expansion of the economy that is not incompatible with the present protectionist policies of the industrialized countries against the developing nations, and with a substantial cutback in public spending.

Consequently, the cost in currency caused by the convening of excessively large delegations of public officials and Central Bank delegates, official and private bank presidents, and financial executives of some enterprises, who are preparing to visit Washington, is unjustified. Unless, of course, the purpose is to make use of this opportunity to talk with members of the private international bank in order to increase the flow of short-term capital with free exchange, at a cost that will quickly come to bear, through the debt service charges, on the weakened structure of our balance of payments, supported largely by a level of reserves created with temporary capital of these characteristics.

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## ARGENTINA

### INDUSTRIAL SECTOR TO BE FURTHER HIT BY NEW TARIFF REDUCTIONS

Buenos Aires CONVICCION in Spanish 2 Oct 80 p 14

[Article by Luis Domenianni]

[Text] Resolution 1670, released 2 days ago by the Ministry of the Economy, strikes one more blow against our national industry, in this case an unexpected blow. It calls for an almost massive tariff cut by means of the establishment of new concessions for foreign producers in competition with their Argentine counterparts here within Argentine territory.

It is true that the 10 July message issued by the minister of the economy, Jose Alfredo Martinez de Hoz, had announced that "by resolution of the Ministry of the Economy, Resolution 1634/78 will be restructured." This resolution set the schedule of tariff reductions to be followed until 1984.

Nonetheless, before continuing this analysis, there are two points that should be clarified here. In the first place, when the tariff schedule was drawn up, the economic authorities termed it "the rules of the game" on which Argentine industries could rely as a guideline to carry out their reconversion programs, and so on. Just a few months later, Resolution 6/79 established, in direct contradiction with the earlier guidelines, a sort of penalty by means of quick tariff reductions for those sectors that were increasing their local prices above what the department of commerce deemed wise.

This new legal instrument establishes a new tariff reduction with few exceptions; this reduction is justified in official eyes by "the scattering" of the tariff regulations, but it is absolutely unwarranted in the opinion of those who naively thought that Resolution 1634/78 created valid "rules of the game."

In the second place, we should question the justification for all this haste, which is certainly unusual. It happened that in his 10 July message, Dr Martinez de Hoz announced that a law would be promulgated that would repeal eight extra-tariff charges and that, by a later resolution, the incidence of these charges would not be included in the effective protection except when this inclusion did not exceed a maximum tariff of 55 points.

This law was not promulgated. And there is some reason for that. Probably because the other national government organizations which had to take part in its promulgation did not agree with it. That doesn't matter. The Ministry of the Economy is erasing the code which it yesterday wrote with its own hand. And it has decided that if the extra-tariff charges can not be eliminated, the tariffs should be reduced.

Even though the press has not yet been given a complete list with the new schedule, the following table speaks eloquently enough so that more than one industrialist will be worried. But that doesn't matter. Perhaps some naive person may even bet that in 1984--as ministry sources maintain--there will be a single 20-point tariff.

#### Import Tariffs (in Percentages)

Items	Old Rate	New Rate
Clothes	60	48
Leather bags	60	48
Imitation leather clothes	60	48
Rugs	60	48
Handkerchieves	55	37
Sports shoes	55	48
2 HP air conditioning units	60	44
Home freezers		
Kitchen fans	60	44
Vacuum cleaners and similar appliances	45	39
Color TV	55	52
Black and white TV	68	56
Radio/stereo systems	68	56
Tractors	45	39
Motorcycles	78	58
Firearms and targets	60	46

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## ARGENTINA

### SHARP DROP IN DEMAND FOR FARM MACHINERY REPORTED

Buenos Aires CONVICION in Spanish 4 Oct 80 p 14

[Article by Osvaldo R. Kornblihtt]

[Text] Since January 1980 farm machinery sales have been dropping at a cumulative average of 10 percent a month. Because of this situation, the manufacturers of plows, harrows, harvesters, balers, silos, etc. met yesterday in the city of Pergamino in order to decide what action to take about what they termed "the total lack of response on the part of the economic officials."

One of the causes behind this meeting in Buenos Aires province of the Coordinating Committee of the Farm Machinery Industry is the knowledge of the request sent by the undersecretary for agrarian affairs to the Department of Commerce, asking that import duties for schedule NADI 84.24 (which covers the capital goods mentioned) be "brought up to date."

The Coordinating Committee consists of representatives of the Argentine Chambers of Farm Machinery Manufacturers of Buenos Aires, Rosario, and Cordoba, and the Association of Harvester Manufacturers of Rafaela. Sources from these groups said that no one is in any doubt about the intention to reduce tariffs for machinery not produced in Argentina to zero. But the problem is that the parameters used in deciding what is and what is not manufactured here are capricious. One example: Argentina uses and manufactures plow grills in the 2.80-meter size, while Brazil manufactures the 3.20-meter size. A certificate of need for the larger size could bring them into Argentina without paying any tariffs.

In this way, "added and subsidiary value" is being imported to the detriment of a national industry that is perfectly capable of meeting such requirements. If it does not make plows of this size, it is because the demand, to date, has not warranted their manufacture.

Like the tractor industry, whose last four plants have closed or are about to close, the manufacturers of farm machinery are facing a critical situation, which has a number of origins, but which is directly related to the purchasing power of the rural producer.

The truth of this statement may be proved by comparing the price indices for farm machinery in 1980 with those of 1975. The decline in relative prices has still not enabled potential purchasers to renovate their machinery or to enlarge their stock, since their income and earnings have been seriously hurt in recent years. "The sector," said one person attending the Pergamino meeting, "is being hurt by a mistaken and stubborn policy in the area of exchange parities and tax pressure. These policies, plus the high financing costs, all combine to do the maximum damage to the farm machinery industry."

Perhaps no market has suffered from the decline in demand as much as the farm machinery (including tractors) industry. In addition to these causes, we should also mention that the tax deductions allowed for the purchase of farm machinery have practically ceased to exist.

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PRESIDENT SEEKS TO CONTINUE DEMOCRATIZATION, FOSTER DEVELOPMENT

Santiago ERCILLA in Spanish 14 Aug 80 pp 8-12

[Interview with Brazilian President Joao B. Figueiredo, in Chile; date not given]

[Text] Beginning today, the three-day official visit which Joao Baptista Figueiredo, president of Brazil, will make to our country will be rich in events. Accompanied by seven government ministers and preceded a few months ago by Minister of Foreign Affairs Ramiro Saraiva Guerreiro, the political leader of the largest nation on the continent heads an embassy of far-reaching importance. During his stay, he and the officials in his entourage will make a series of agreements concerning such areas as tourism, defense, science, energy and transportation in addition to trade, which, it has been predicted, could increase bilateral exchanges to some \$1 billion this year.

The visit, which fits into the framework of the principles of Brazilian diplomacy -- "our goal is not a solitary goal" -- follows a recent trip made by Figueiredo to Argentina. It is also a gesture of solidarity with a political dimension: Although "Brazil neither aspires to nor accepts" hemispheric leadership, its weight as an emerging power counts and counts a great deal. Its Ministry of Foreign Affairs maintains the principle of nonintervention in the internal affairs of other nations and for South America, plays the card of a "consensus" which, aside from making it regain its excellence, guarantees the best relationship between countries. The three days will make history, it is said.

[Question] A number of international analysts, including Richard Nixon in his book "The Real War," predict that Brazil will be an economic power before the end of the century. What effect would this have on Latin America and what specific projects have been outlined along these lines by its government?

[Answer] I do not believe that the word "power" describes the objectives of economic well-being of the Brazilian people. Brazil wants to grow economically within its own borders because it intends for its people, without discrimination, to enjoy adequate and dignified standards of living, social welfare, access to housing, health, educational and cultural advantages. Clearly, economic growth does not automatically make social welfare. Through adequate channels of expression, society must define its demands and purposes.

Our goal is not a solitary goal. I believe that many of our definitions come about because we are Latin America and as such, we are part of the system of values of



Western civilization. In addition, as developing countries, we are learning that the effort to grow has undeniable international dimensions. In certain cases, those dimensions have been harmful to developing countries, as witnessed by the deterioration of the terms of trade. In regional integration and cooperation efforts where Latin America has set expressive examples, the international dimension must have very positive connotations.

Brazil's economic growth fits into this picture of regional cooperation. We want to grow without selfishness or open or veiled intentions of gaining power and domination. On the contrary, we also want to grow in order to share experiences at all levels of the economic system. Joint actions on a bilateral level, the support we give to subregional associations and to integration movements, are examples of the openness of our economy. We are suffering from many of the difficulties and imbalances affecting our Latin American brothers. Furthermore, we are not equal economies. Some have specific advantages in certain areas. The variety of experience and potential is a Latin American resource that must be developed on behalf of our peoples. Solidarity is fundamental so that this may take place successfully.

#### Cooperation Without Intervention

[Question] Specifically in the Southern Cone of America, what role is played by the Argentine-Brazilian rapprochement, once the dispute over the dams on the Upper Parana is settled?

[Answer] I believe that understanding and cooperation between Brazil and Argentina, as between all South American countries, is an essential condition so that we might attain the shared objectives of progress and well-being. Fortunately, our region has considerable potential for development. Our countries have great natural resources and the enterprise of our people is important. The vocation for cooperation in the region is obvious, illustrated by the multiplicity of contacts for the completion of joint projects. The constructive and fruitful relations we maintain with Argentina are part of this trend toward an intensification of ties between countries in the region, based on the identification of common interests and the conviction that through solidary action, we might more easily meet the just aspirations for prosperity of our peoples.

[Question] Itamaraty was an example of international diplomacy. Specifically, what does this line of foreign policy consist of and what concrete results does Brazil owe to this policy?

[Answer] The basic principles underlying Brazilian foreign policy are well-known. We have defended the principles of nonintervention, the peaceful solution of disputes, self-determination, respect for treaties, in short, those principles on which harmonious coexistence between nations is based. The contemporary expression of these principles is the adoption of a universalist attitude in which we have sought, in a balanced way, to open up the range of our international coexistence. We believe that a just international order, free of tensions, must be based on patterns of respect for national diversities. Solutions of power and strength are inadequate, even harmful, for the dramatic situation of the problems that the community of nations is experiencing today.

One of the most consistent results we have obtained with diplomatic work is, I believe, greater reliability of the nations as international partners at the most varied levels and forums, in bilateral, regional and multilateral relations. I do not wish to dwell on this aspect because I would be praising our own cause, but I would emphasize one element: I am specifically referring to the fact that our diplomacy has consistently sought to integrate principles and action. What we say corresponds to what we do and this creates confidence in our international action. Furthermore, I believe that that action incorporates continuing values removed from passing internal circumstances and situations. We believe in our values and our philosophy of diplomatic action because we believe that they express our nationality. They are the complete expression of what the Brazilian people are today. For that reason, and also because they express the ideal of the creation of a more just world order free of tension and force, I believe that Brazil has a solid, reliable basis for international coexistence.

#### Atomic Power

[Question] Apparently, one of the most difficult missions for your Ministry of Foreign Affairs is now linked to the Brazilian nuclear policy and its repercussions with respect to the United States and Germany. Is this related to the expectation of turning Brazil into a world power in the full sense of the term?

[Answer] I do not believe that the Brazilian nuclear program arouses any doubts or distrust in the international community. On the contrary, the idea that developing countries such as Brazil, in the face of the energy shortage and given the need for technological and scientific progress, have every right to develop alternative forms of energy guaranteeing the achievement of levels of progress in keeping with the rights of man is completely accepted. The program has no mysteries or ulterior motives. It simply seeks to guarantee a supply of energy compatible with our needs, in addition to promoting the country's scientific and technological development. It is rigorously peaceful.

Actually, Brazil has been a constant critic of the proliferation of nuclear weapons. We condemn the absurd situation of the international system, sustained by a precarious balance of terror, a situation in which international security is defined by an increase in quantity and quality of the most horrible weapons of destruction.

Consequently, our positions are clear with respect to disarmament. We signed and ratified the Tlatelolco Treaty and we accept the safeguards of the International Atomic Energy Agency concerning accords between Brazil and Germany. In addition, we believe that it is essential for developing nations to ensure their full access to modern technologies capable of stimulating and guaranteeing the economic needs of their peoples.

These are the reasons that totally remove the Brazilian nuclear program from the alleged objectives of power. Furthermore, the forms of international organization based on "powers" demonstrate how precarious they are at all levels: political, economic, scientific, and so on. We do not intend to repeat the trajectories of other countries and we discard the simplistic arguments that make equality a matter of certain economic indexes and certain international actions. Brazil does not define itself internationally as a power.

Our diplomacy follows other paths aimed at lasting and just solutions to the complex international problems facing us.

#### Domestic Opening

[Question] Regarding domestic policy, what repercussions have there been from the ideological opening that has occurred in recent years, from the political amnesty and the return of famous opponents of the current regime in Brazil?

[Answer] I believe that amnesty played a fundamental role in the Brazilian democratization process. The measure was a valid one because the acceptance of divergent thought and ideas means that the conditions exist so that all Brazilians may fully participate in the political arena. It puts an end to distortions and truly opens up the possibility of coexistence of all Brazilians, without any limits or reservations. Moreover, amnesty showed that our intention was real, solid and broad and presumed solidarity and a consensus. Amnesty pointed to the willingness to create a truly pluralistic society in which debate would be free and diversity would be represented through legitimate and effective channels.

Amnesty, the formation of more authentic parties, an increase in the forms of social expression and freedom of the press are some of the components of the Brazilian democratic process and the clear intention of my government is to establish it.

Finally, concerning the opening, I would emphasize that in any democracy, especially when there are strong contrasts in a developing country, there will be some dissent and contradiction. It is part of the game to coexist with divergencies and as we are showing, we are willing to do so.

[Question] Has your own political thought undergone any kind of evolution since your position with respect to the regime of Getulio Vargas up to the present, specifically with respect to your present post?

[Answer] In order to define a long trajectory of political apprenticeship and struggle in one word, I would say that throughout the years, my thought has only evolved in the sense of affirming my democratic faith.

[Question] For you, what is democracy and how do you define it with respect to Brazil?

[Answer] There is no Brazilian definition of democracy. Democracy is universally recognized by certain attributes of the political system ranging from the separation of powers to the guarantee of civil rights. Another factor is that the liberal illusion of the merely political democracy must be overcome and measures of an economic and social order must be incorporated into the concept so as to guarantee the citizen full use of his democratic rights. What is national in nature is the adaptation of these institutions to the economic, social and cultural circumstances of every country and above all, their endogenous generation.

Institutional frameworks that are abstractly defined, without any correlation between the principles and reality of the country are neither effective nor lasting. As I have often said, it is obvious that political democracy does not presume any specific performance of the economy because this could be an excuse to postpone

the establishment of democracy forever. On the contrary, I believe that within the very dynamics of the political debate, in the very dynamics of the affirmation of political democracy, the economic element gradually takes shape until it becomes a kind of subject of political debate. In this way, the constituent elements of the democratic ideal are perfected and fully achieved.

Finally, democracy means dynamic movement, constant adaptation, social purpose, consensus, an ever greater openness of the political space. It means participation, acceptance of pluralism and differences in society. It means responsibility for the very fate of society, shared by every one of its members. It means freedom in its many forms and scopes, with the limitation of the consensus and the ethics of conduct determined by society. It is an evolution guided by principles, but attentive to the needs of objectivity and rationality.

[Question] The well-known "Brazilian economic miracle" has suffered heavy blows in recent years. At least chronologically, they coincided with the political opening of Brazil. What relationship do you see between the two?

[Answer] The time of the "Brazilian miracle" combined a series of favorable circumstances that are not now repeated. At any rate, it is important to establish that for me, there is no necessary relationship between economics and politics. The performance of the economy does not necessarily correspond to any specific performance of the political system. I believe that the relationships are more subtle and unexpected than what the old formulas recommended.

Once we have accepted these premises, we would have to go toward a more circumstantial analysis of the links between politics and economics, or the way in which they interact. I would recall that with the economic difficulties that are obvious, there should be an increase in social pressure, the natural result of inflationary phenomena and others.

A simple (and simplistic) solution would point to more political repression in the illusion that once the pressure are eliminated, the experts would better be able to effect an "economic cure." But that is a fallacy and for at least two reasons. First of all, economic policy measures are essentially political measures and they are negotiable. Consequently, debate, the free play of ideas, is essential for the articulation of the best policy, the best measures. Second, the systematic imposition of economic measures not based on a consensus does not lead to good results. One cannot think about fighting inflation, a fight that inevitably demands sacrifice, without the creation of confidence in and the credibility of the government.

[Question] The current economic situation in your country is demonstrating that to date, the measures adopted did not have the necessary effects. How does your government intend to face the problems affecting the Brazilian economy?

[Answer] It is not that the measures did not have an effect. The fact is that a series of outside factors beyond our control intervened and had a negative impact on the results of the measures. We do not have a rigid program. The ways of fighting the problems affecting us must necessarily be flexible and agile. In this way, with realism and determination we are facing the problems and we have the broad and mature participation of the Brazilian people in the common effort to solve them.

Within certain limitations and as long as the Brazilian development process is not affected, it is inevitable that we will adopt economic measures to fight our balance of payment situation and the undesirable inflation rate, for example. I wish to emphasize that such measures have been and will be taken, always bearing in mind our concern not to affect the continuation and expansion of our growth rate and development.

[Question] According to some experts, the measures were not drastic enough and their effects are feared since they might cause a recession. What would you say about this?

[Answer] Indeed, as I previously stated, the measures adopted were not extreme ones, first of all because we deemed that despite the seriousness of the problems we are facing, we know their implications and are confident that we can solve them. Second, we are also anxious not to affect the country's development process. As long as possible -- and I believe we still have plenty of room -- we shall maintain our development programs in order to foster better living conditions for the Brazilian people.

[Question] What are the main objectives you wish to attain before leaving your post in 1984?

[Answer] To fulfill the objectives I have set since I took office as president of the republic. In short, to restore democracy and help improve the living conditions of the Brazilian people.

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PRESS SPECULATING ON POSSIBLE CABINET CHANGES

Possible Dismissals Hinted

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Oct 80 p 3

[Excerpt] No one confirmed anything at Planalto Palace. The usual sources could even deny it again but the truth is that between the end of this year and the beginning of the next, Gen Joao Figueiredo will make some changes in the ministries. Three, four or five, it matters little, however, as of the closing of the PDS [Social Democratic Party] national convention in the final days of November, one must remain alert: the president's intention is to kill two birds with one stone, offering a greater share in government to the party which supports him in Congress, in that way seeking to popularize his system of forces and at the same time divesting himself of some ministers considered weaker or less supportive of major directives and decisions.

According to today's rumors--and there is the reservation that tomorrow there may be others--the political ministers who have qualities of leadership and have voter following will not leave the present government team. Therefore, if no other reasons exist, Minister of Justice Ibrahim Abi-Ackel, Minister of Social Welfare Jair Soares and Minister of Mines and Energy Cesar Cals appear to be safe.

To opine as to who may leave may be unfair and dangerous, it being worth saying only that the economic-financial command (read Delfim Netto) will not be changed, although in the area near to the minister of planning bombs may explode, the first of them on the aircraft of Minister of Finance Ernane Galveas.

"The ministers belong to the president. Only he has the authority to appoint and dismiss, up to now no one has heard him speak about who may be dismissed and who may remain. The rest is conclusion." Despite this routine cliché, repeated at Planalto every day, the minireform will come in its time and with its objectives.

Without specifying restrictions, one must pay attention to a parallel episode. Talking with close friends, President Joao Figueiredo did not avoid showing a certain generalized irritation at the actions of his ministers toward the budget and the necessary cuts in the expenditures of each of them. He said that

only four of them diligently complied with the budget of the present year and when asked who they were, he answered: The Ministers of the Army, Navy, Air and Armed Forces Staff, because being subject to military discipline, they never exceeded their limits of expansion. All the rest either increased or begged for increases in the allocations destined for their respective administrations, always with a thousand and one arguments of social and economic needs. Even acknowledging that the ministers by wanting more money sought to help his government, the president could not refrain from showing his impatience, particularly when he referred to the new litany already started with respect to the next budget. History serves to show that friendship has no place in business. In other words, the president will have his reservations with respect to the precipitation of some and the impertinence of others, factors which at the proper time will weigh in the balance.

To learn who will be a minister within the PDS, or even outside of it, will be as difficult a mission as finding out who will cease to be a minister. In the official party, providing it does not become involved every day in abilities and capabilities, there should be people with the qualities for being forwarded to the president because of proven administrative experience and potential and also because of political and popular support. The idea, it is worth repeating, is to give more strength to the PDS so that it can maintain or even broaden its electoral prospects, since 1982 is almost upon us and a defeat of the government would be the worst thing that could happen to the plans for institutional improvement.

#### Galveas Denies Dismissal

Rio de Janeiro O GLOBO in Portuguese 17 Oct 80 p 16

[Text] Sao Paulo (O GLOBO)--Minister of Finance Ernane Galveas said yesterday that the wave of rumors on the possible dismissal of Central Bank President Carlos Langoni demands a vehement statement from government authority: "It is fitting, before the most representative organs of the Brazilian press, to officially and categorically deny the dismissal of the Central Bank president. Those rumors are unfounded and I can only view them as a form of absolutely unnecessary provocation. The appointment or dismissal of his trusted men is within the authority of President Figueiredo and no other," said Galveas.

The minister of finance, who attended a lunch given by the Brazil-United States Chamber of Commerce, questioned as to whether he was "superstitious," said he was "like all the Brazilian people." Galveas did not lose his good humor when a reporter asked him whether his superstition did not reach such a degree that it could attribute ill omens to his coming to the annual lunch of the Chamber because last year it was one of the last official acts of then Minister of Finance Carlos Rischbieter.

"I am superstitious but not that much," replied Galveas.

## Inflation

The minister of finance said that the prefixing of the expansion of 45-percent in credits will not be revised and that no "developed and aware" banker wants a broadening of the limit because the financial market knows that the fight against inflation requires sacrifices.

"All the banks and financial institutions should obey that limit, even the Bank of Brazil," he said.

Galveas declared that the monetary policy continues to be restrictive and fiscal policy will remain austere in order to reduce the overall demands of the economy, discarding the possibility that the limit to the expansion of credit could be revised to provide financing for alcohol-fueled automobiles.

"The progress and future good operation of alcohol-fueled automobiles does not depend on artificial conditions such as that," he said.

With respect to the forecast by Chase Manhattan Bank that Brazilian inflation in 1981 could reach rates of 150 percent, the minister of finance said that he was surprised at the forecast because the technicians and analysts of the bank have the means for making a more exact study of the Brazilian economy.

"There is no reason for pessimisms of this type. In recent weeks I have talked with tens of the most important international bankers, who unanimously show a complete confidence in the administration of the economy and the foreign debt by the economic authorities of the country," said Galveas.

Galveas thinks that the failure of the attempt to obtain financing from the Canadian Imperial Bank does not mean that the international financial credibility of Brazil is weakened by the imposition of higher "spreads."

"It was Brazil who withdrew the request for the loan because market conditions were becoming difficult because of the Iran-Iraq war," he added.

The minister of finance said that there will be no problems for the country in reestablishing its exchange reserves, which by the end of the year should reach nearly \$7 billion.

## Rumors on Dismissals Continue

Sao Paulo FOLHA DE SAO PAULO in Portuguese 16 Oct 80 p 15

[Text] Brasília--The press secretary of the Presidency of the Republic, Alexandre Garcia, yesterday refused to make any comment on recent statements by Minister of Finance Ernane Galveas, who said textually that the economic situation of the country was very bad. "We do not comment on statements by ministers," said the press secretary incisively, refusing to make an additional statement on the subject.

Among the advisers of the president of the republic there is the idea of the partial replacement of Figueiredo ministers who have been showing growing signs of a lack of coordination. Presidential advisers revealed some days ago that in the economic area changes could take place in keeping with the presidential will and also with the policy practiced by Minister of Planning Antonio Delfim Neto. The decision to dismiss any minister shall always be made by the president, but there have been frequent expressions of discouragement with the work of some ministers among his advisers.

The Galveas case appears to be typical within this line of observation. The outcome of the inquiry on the sale of Companhia Vale do Rio Doce stock and the episode of the rerouting to Brasilia of the Varig DC-10, which makes the New York to Rio run, contributed to leaving the minister in a vulnerable position. Yesterday morning, however, Galveas was at the Palace and dealt with administrative affairs of his position.

Advisers to the president admit that in coming months there will be a change of some ministers, although there are no specifics as to the date on which this ministerial rearrangement could take place. Some parameters indicate that between now and March the government should rearrange its ministries in keeping with the wishes of the presidential advisers, who normally reflect the thinking of President Figueiredo himself.

#### Central Bank President Speaks

Rio de Janeiro O GLOBO in Portuguese 15 Oct 80 p 19

[Text] Brasilia--"I am learning to live with the rumors," said the president of the Central Bank, Carlos Langoni, as he left the bank yesterday at 1925 to attend the cocktail party celebrating the swearing in of the new leaders of the National Confederation of Industries (CNI).

The president of the Central Bank argued that he refrained from going to the swearing-in ceremony scheduled for 1800, which was attended by the president of the republic, Joao Figueiredo, because he was detained in a meeting "with the secretary of finance of Minas Gerais," Marcio Vilela.

Langoni also did not keep an appointment yesterday morning with a lady journalist from the FINANCIAL TIMES or with the president of the Sao Paulo Mercantile Bank, Gastao Vidigal Baptista Pereira, who did not want to schedule a new appointment. Langoni went to Rio de Janeiro for the funeral of Senator Jesse Pinto Freira "a great personal friend."

#### Dismissal Rumors Rebutted

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Oct 80 p 27

[Text] Against the entire wave of rumors existing yesterday, Minister of Finance Ernane Galveas and President of the Central Bank Carlos Langoni denied that they were resigning. After meeting on official business with the president at 1615, Galveas granted an interview to the press in his office, where he spoke at length on the decision of the Securities Commission [CVM] on the Vale case.

Galveas, who was out of the country for 20 days--first attending the meetings of the IMF and the World Bank, making contacts with bankers in Washington and New York and later in Santiago, Chile, accompanying the president of the republic, replied that "this is a decision of the president and not mine," when asked about leaving the ministry. "I have nothing to add on the subject," he added, very bothered by the question, which he would not answer for television.

He said his meeting with the president, to whom he reported on the results of the IMF and the IBRD meetings and the contacts he had with bankers, was "a routine office meeting." In addition to those subjects, he continued, he informed the president of the republic on the progress of fiscal and monetary policies. As he pointed out, the president asked him nothing about the unscheduled stop by Varig last Wednesday to drop him off at Brasilia so that he could continue on to Santiago, Chile in the presidential party.

At Planalto Palace, sought out by newsmen who wanted to know whether the minister of finance would be dismissed, Minister of the Mass Media Said Farhat replied: "Minister Galveas is holding an interview at the Ministry of Finance for the press now at 1730. Therefore, you gentlemen can obtain that information directly from him."

#### Langoni Also Denies It

President of the Central Bank Carlos Geraldo Langoni yesterday described the rumors that he is soon to leave his post as "a fantasy without any basis in fact." Langoni arrived from Rio de Janeiro at 1600 and refused to speak to newsmen. Early in the evening he met with Minister of Finance Ernane Galveas and the president of the Bank of Brazil, Oswaldo Collin.

Despite the denial by Langoni, advisers and technicians of the Central Bank did not hide their concerns over the possibility of a new change in the management of the bank after the reports published last weekend by the most diverse press organs. That is why they sought out newsmen yesterday to obtain more details.

Those technicians believe that speculations tend to continue as a result of the economic difficulties of the country, which are impossible to overcome in the short term. As has already happened with respect to speculations on the dismissal of ministers and other authorities, the majority of Central Bank advisers prefer to believe the theory that the rumors will come to nothing.

Within the policy of the gradual fight against inflation, Central Bank technicians point out that the present management has been managing to obtain good results in conducting the monetary and credit policy and they assert that the monetary and credit pattern this year is much more favorable than in 1979.

Neither do they accept the theory that the president or directors of the Central Bank will be affected by the outcome of the Vale case. According to those sources, the punishment doled out by the CVM to the president of the Securities Exchange of Rio de Janeiro, Fernando Carvalho, was the most proper possible and they challenge Carvalho to show the compromising recordings he says he has.



## Speculation Rife in Brasilia

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Oct 80 p 27

[Article by Carlos Chagas: "Four Days of Rumors and Speculation in Brasilia"]

[Text] Unleashed once more, the new rumors over the dismissal of Ernane Galveas and Carlos Langoni began Friday, survived the weekend, and yesterday reached their climax, agitating the entire Federal Capital until at 1800 in a collective interview, both denied the story and spoke on subjects within their purview.

In Congress, in ministerial corridors and in Planalto Palace itself, the most varied speculations merged, some even pointing to the case of the sale of Vale do Rio Doce stock as the main reason, others referring to the extreme irritation of President Joao Figueiredo because of the incident of the "hijacking" of the Varig aircraft, which while on its New York to Rio run found itself rerouted to Brasilia early Thursday morning at the request of the minister of finance so that he could get off here. There was talk of Galveas himself not wanting to remain in the job, as well as about the impossibility of the president of the Central Bank remaining in that case.

By morning, after the routine meeting with the president of the republic, there was a meeting in General Golbery do Couto e Silva's office attended by Minister of Planning Delfim Netto, SNI [National Intelligence Service] Chief Gen Octavio Medeiros and Chief of the Military Household Gen Danilo Venturini. The conclusions were that they were examining the effects of a possible letter of resignation by the minister of finance, who afterward conducted official business with President Joao Figueiredo and was also with Delfim Netto, it not being known whether or not he was received by the chief of the civilian household.

Given as possibilities were the appointments of Flavio Pecora as minister of finance and Afonso Celso Pastore as president of the Central Bank, with the chance that the combination could be reversed, although in a parallel move, an invitation to Nestor Jose for the first of those positions would be accepted. The explanation for that alternative would lie in the fact that Pecora as well as Pastore are considered to be in Delfim Netto's pocket, the rise of both liable to serve as one more argument to accuse the chief of being bent on maintaining the federal economic command within a so-called "action among friends." Jost, with more independence, has already worked with Delfim in the Costa e Silva and Garrastazu Medici administrations and as president of the Bank of Brazil, working with him but in a position to share some of the responsibilities.

It was also admitted that despite being a personal friend of Galveas, Delfim Netto would take advantage of the opportunity to make some changes in the present policy. The new minister of finance would promote changes in the monetary correction system, broaden the expansion of credit, breaking the 45-percent barrier, and would use the opportunity for an opening under conditions of favoring new expenditures. Programs were even being made and commented upon.

The usual spokesmen for the Presidency of the Republic, beginning with Minister Said Farhat, innocently contributed to the climate of rumors. They refused to make the routine and traditional denial of many other occasions. During the afternoon, they only said they had nothing to say and that Galveas as well as Langoni would grant a collective interview at 1800. For many this was a sign of dismissal of the minister of finance and the president of the Central Bank "because even when denials are forthcoming, they are followed by dismissals, imagine what it is without them..."

Others, more cautious, however, only made note of the high temperature, believing that within some weeks, or even only at the end of the year, Ernane Galveas could leave the ministry within a broader shakeup. After all, and after the statements by the minister of finance and the president of the Central Bank describing the stories of their dismissals as fantasies, it was only one more day of rumors. Or was it?

#### Speculations on Golbery Prevented

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Oct 80 p 4

[Text] Minister Golbery do Couto e Silva, chief of the civilian household of the Presidency of the Republic, today begins a 10-day leave "for a brief rest," it was reported yesterday by Planalto Palace Spokesman Marco Antonio Kraemer.

On giving the information, Kraemer explained that it is not a matter of any health problem but a simple absence of a few days since Minister Golbery has not had a vacation for more than a year. The palace spokesman also explained that the communique was being issued formally "to prevent possible speculations." The chief of the Civilian Household worked normally yesterday in his Planalto office until the end of the day, when he transferred his functions to Executive Deputy Joao Carvalho.

This morning, Minister Golbery should go from Granja do Ipe, where he lives, to his private home on Kilometer 17 on the Brasilia-Belo Horizonte Highway near the city of Luziania, Goias.

Golbery's leave will last until Monday, 27 October.

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CSO: 3001

## BRAZIL

### FOREIGN DEBT MUST BE REFINANCED IN 1981 SAYS NETTO

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Oct 80 p 34

[Text] Minister of Planning Delfim Netto said yesterday in New York that Brazil does not need to reservice its debt this year but that in 1981 the deficit in current accounts "will be some \$12 billion, of which it will be necessary to refinance \$5 billion." After expressing the hope that the IMF will change its standards for international financing to help developing countries and to recompense for their imbalances in the balance of payments, Delfim also emphasized that "there are no reasons why Brazil cannot resort to the Fund in search of support" and he denied that there are direct differences between the country and the international agency.

Delfim Netto also denied that Brazil is heading for an economic recession, explaining that "The rate of growth is somewhat restricted by the balance of payments now but we shall take measures to increase exports in order to recover the five to six-percent rate of growth. We shall continue to pressure for an increase in exports, not only until the trade deficit is erased, but also until we achieve a surplus," said the minister to newsmen.

Delfim Netto also touched on the increase of Brazilian exports during the talk he gave before the National Foreign Trade Council, when he opened a 2-day seminar on protectionism in international trade.. He pointed out that the amount of Brazilian exports this year should be 30 percent greater than that of 1979 and "in 1981 we shall continue to adjust our exchange policy to maintain that process." As to the foreign debt, the minister emphasized that the country will seek to reduce it with respect to exports "as we did this year."

In his analysis on prospects in international trade for 1980, the minister admitted for the first time that "Brazil could be one of the countries most affected by the present conditions of the world banking system," saying: "Even if historical evidence and economic potential may qualify Brazil as one of the most obvious choices for expansion of the free market economy, the inability of the international financial community to provide the necessary resources indicates the need for introducing some changes and implementing some reforms, keeping in mind the improvement of the effectiveness of the system in general."

He also said that problems created by the present conditions in international petroleum markets "can be more easily resolved if the international banking community would make a revision of its regulations on loans granted to countries, an event which could definitively contribute to an increase in the production of energy in world terms."

#### Recycling Difficult

Dealing directly with the resistance of the international banking system to continue lending to developing countries which import petroleum, Delfim Netto declared that increases in petroleum prices in 1973 were absorbed "adequately by the international monetary system, but the recycling of surpluses, resulting from the readjustments of 1980, have been more difficult to control because of the substantial deficits of countries which could not manage to expand their exports or reach self-sufficiency in energy terms."

In his opinion, there are two main reasons for these difficulties in recycling. The first is that the latter countries now represent a greater risk for private banks and the second are the institutional restrictions having to do with the percentage of loans already granted against the capital of some banks, which would indicate an excessive financial risk for some countries.

In view of the influence of high prices of imported petroleum on the economy of developing countries, Delfim Netto believes that those nations have only two options: either they reduce their imports proportionately with the increases in prices of petroleum or they try to increase their exports.

"If they choose the first option, inevitably a recessive process will result because the reduction of imports in general, and purchases of petroleum in particular, have a dramatic effect, interrupting the productive process. The second option, which envisions expenditures in activities linked to exports--employing new ways of conserving energy as much as possible or developing alternate energy sources--will allow the country to resolve the deficit of its trade balance, but almost always will require the use of foreign money to finance the adjustment of the economy," he pointed out.

#### Only Option

Therefore, during transition periods, developing countries have no other option except to resort to foreign loans to finance economic adjustment, he added. However, the minister of planning complained that "certain persons have a very rigid view of that dilemma: In the first place, a so-called maturity and responsible position is adopted whereby the debt is avoided no matter how great the difficulties created for the future development of the country. The second option, in a very simple version of the facts, would be only a reduction to levels of consumption existing prior to its adoption and it could represent a simple postponement of bitter but inevitable recessive measures, the lack of which would require even more dramatic measures in the future."

For Delfim the correct analysis of the two alternative is the following: "A very drastic policy of reduction of imports aimed at reducing economic growth will make the task greater for future generations, whose inheritance will be an even poorer country with a productive capability harmed by the shortage of proper expenditures during the period of adjustment. The country could also become more vulnerable to the shocks of new increases in petroleum prices because of the fact that it was not capable of using difficult times to attain an expansion in the production of alternate energy sources."

The minister also advocated an economic policy which allows relative expenditures in the export sector and in the development of alternate energy sources which "would leave future generations a better country adjusted to the new realities of energy and more capable of functioning in a new international environment."

With respect to international trade, the minister pointed out that "protectionism, as we said in the past, will not help us much," and that the greatest international cooperation "is the only alternative left to us."

Delfim also asserted that the Brazilian program for the development of alternate energy sources--particularly alcohol production--has received world attention and is being applied in a satisfactory manner. The increase in energy production by means of agricultural expansion "is being realized without an additional burden on the balance of payments and it insures the extreme potential and flexibility of the Brazilian economy," he declared.

#### Itinerary

After the talk, the minister attended a dinner last night with the directors of the Council of the Americas, an organization which enrolls more than 200 U.S. corporations with interests in Latin America. Before that, he told newsmen that he did not go to the United States in search of loans or refinancing, asserting that Brazil resolved the problem of petroleum supplies caused by the war in the Persian Gulf by means of agreements with Venezuela, Mexico and Indonesia, who have guaranteed the supply of 200,000 barrels daily.

Tomorrow Delfim Netto continues on to Paris where he will remain 4 days. He will meet with French President Valery Giscard D'Estaing, sign a contract for the financing of off-shore prospecting drilling rigs for PETROBRAS [Brazilian Petroleum Corporation] and coordinate the economic aspects of the visit that President Joao Figueiredo will make to France.

Next Sunday the minister will be in Japan, where he will meet with several bankers. In addition to trying to obtain a financing of nearly \$150 million, the minister should negotiate Japanese participation in the Carajas and Albras-Alunorte projects.



### In a "Tunnel"

Yesterday the French newspaper LE MONDE published an interview with the minister of planning in which Delfim Netto says that Brazil should have a growth rate of from five to six percent this year. "Brazil faces great difficulties but we are not the only ones. We advance along a tunnel and I cannot say when we are going to emerge from it; whether it will be 2, 3 or 4 years." What I do know is that we have already adopted the measures heading us in the proper direction," emphasizes Delfim in the interview, adding that Brazilian inflation began a downward trend 2 months ago.

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## ATTEMPT AT PEACEFUL PATH TO SOCIALISM IN CHILE ANALYZED

Moscow LATINSKAYA AMERIKA in Russian No 9, Sep 80 signed to press 12 Aug 80  
pp 5-14

[Article by Yu.N. Korolev: "The Timeliness of the Chilean Experience"]

[Text] Ten years have passed since the beginning of the Chilean revolution and seven years since its defeat. The revolutionary authority existed for about 1,000 days, and this was a profoundly creative and historically rich feat by the popular masses, who were aroused to the struggle for freedom, equality and socialism.

The Chilean people achieved remarkable successes in this struggle. For the first time in the country's history a government was created which the people wanted and which they trusted. With support from the working class, the peasantry, the middle strata and the intelligentsia--from democrats and patriots--the government carried out profound socio-economic transformations of society.

In addition, the democratic rights of the people were expanded. As a result, hundreds of thousands of working people for a short period were able to join together in trade unions, in peasant and student federations, in residential and village committees. There arose new forms of popular organizations which in the future could have become forms for the people's authority on a nationwide scale. They were created at enterprises, where they took the form of workers' committees for vigilance and the monitoring of production; in cities and rural areas they took the form of councils for the distribution of foodstuffs and communal councils, which decided at the local level questions of revolutionary power.

The government of Salvador Allende conducted an independent and active foreign policy in defense of national sovereignty and noninterference in the affairs of nations; it took a position against the aggressive actions of imperialism and in support of the national-liberation struggle of peoples. During the years of Popular Unity there was immeasurable growth in the country's prestige in the world arenas: its voice rang out loudly at all international forums. Chile occupied a worthy place among the

states fighting for detente in international relations, for the establishment of a new democratic order in world economic relations and against the privileges of the imperialist monopolies.

The specific national conditions of this country were reflected in the content and nature of the Chilean revolution. The revolution developed in a capitalist country which was economically dependent on U.S. imperialism and the international monopolies. Chile had a large organized working class which had definite revolutionary traditions and a relatively low level of opportunism. The Communist Party of Chile (CPC), a unified and mass party of the proletariat, acted as a cementing and unifying force in the democratic and anti-imperialist movement. It possessed significant experience of struggle under various conditions: conditions of the underground, of semilegal and legal activities; it was broadly represented in parliament and the municipalities, and it led the powerful organizations of the working class and the peasantry. Over the course of many years the CPC acted together with the other workers party of the country, the Socialist Party of Chile (SPC), one of the leaders of which was Salvador Allende.

In the second half of the sixties there developed around this alliance a broad democratic and anti-imperialist front, including the leftist Catholic movement. A shared political platform in 1969 served as the basis for the establishment of a Popular Unity coalition, which included communists, socialists, radicals, social-democrats, Christian leftists and independents. In 1970 Popular Unity sustained victory in the presidential elections, having received a relative majority of the votes.

In accordance with the constitution, the question of who would become president of the country had to be decided by the National Congress at a joint session of the Chamber and Senate; the members of the congress were able to vote for one of two candidates who had received the largest number of votes. But in fact the fate of the candidates was decided not so much in the congress as in the people's organizations, in the trade unions, peasant federations, the political parties and in massive street demonstrations. As a result of the extremely acute class and political struggle which developed in the country in the months preceding the official voting in the congress, the alignment of forces developed in favor of the people's movement candidate, Salvador Allende.

However, the situation continued to remain extremely complex. Although the revolutionary democratic and anti-imperialist movement had achieved by November 1970 an absolute majority of the people (more than 60 percent), the alliance of the social forces was still not firm or structurally integrated. A tense struggle took place for hegemony in the revolution among the proletariat, the middle strata and the petty bourgeoisie; despite the fact that the leading role in the revolutionary movement belonged to the proletariat, it was constantly and persistently called into question. At the same time there developed a political bloc

of the majority of the people which took the form of Popular Unity and the Christian Democratic Party; it was based on the "constitutional status," which was able to serve as the basis for the subsequent development of a program for the new alliance of the class and social forces.

An important factor in the victory was the fact that the leaders of the nation's armed forces (first General R. Schneider, commander of the army, who was killed by reactionaries in October, 1970; and then General C. Prats, who took over from him; and other higher officers) took a formally neutral attitude (support for "constitutionality and noninterference" in political life), which was in reality favorable toward the candidate and the Popular Unity program.

The exacerbation of the political struggle within the armed forces made it impossible for them to be used for class coercion against the masses in the interests of the bourgeoisie and imperialism, and it led to their neutralization.

Under these circumstances the majority in parliament (deputies and senators of Popular Unity and the CDP (Christian Democratic Party) supported the candidacy of S. Allende.

On 4 November 1970 S. Allende assumed the presidency and formed a government which included representatives of all the political parties of Popular Unity. Thus, Popular Unity came to power under conditions of bourgeois legality, having publicly declared its aim of implementing revolutionary socio-economic and political transformations by peaceful means and the building of socialism.

As is clear from the above, the path of revolutionary development in Chile largely confirmed the predictions of V.I. Lenin; it proved through the practice of the class and political struggle the correctness of the tenets of Marxist-Leninist theory of revolution concerning the possibility of the peaceful acquisition of power by the proletariat. The essence of this acquisition of power lies in the fact that the mass popular struggle reaches an enormous scale and leads to an alignment of forces which makes it impossible for the counterrevolution to exert armed resistance. The victory of the Chilean revolution through peaceful means signified, in contrast with the usual "parliamentary" path, nothing other than a form of class coercion by a majority of the revolutionary people over the counterrevolutionary minority. The revolution matured independently of the path it had to take: the great weight of forces on the side of the democratic and anti-imperialist forces made it possible to be limited to the use of "peaceful" forms of coercion. On the other side, the possibility of the peaceful path substantially expanded the social base of the revolution and attracted to it those groups of the population who under different conditions would not have determined to support openly the revolutionary movement.

There is significant disagreement with regard to the content of the Popular Unity regime. There are three viewpoints which predominate. A number of authors are inclined to consider the situation which developed as a typical case of constitutional rule within the framework of representative democracy, when one candidate from one party defeats the president in elections and the other party maintains a majority in the legislative organs.<sup>1</sup> Another group of authors claim that there developed in Chile "two power centers," around which there clustered the forces of revolution, on the one hand, and the forces of counterrevolution, on the other hand.<sup>2</sup> A third group views this period as one of dual power in Chile.<sup>3</sup>

There is no doubt that the essence of the Popular Unity regime goes far beyond the division of the institutions of bourgeois democracy among the various parties. While preserving the formal signs of this kind of division of power, the regime expressed first of all (in an inconsistent manner perhaps or even a contradictory one) the class interests of the working class, the middle strata, and the petty bourgeoisie. It was obviously hostile to the interests of the landowners, the monopolies, the foreign companies and the bourgeoisie. In any case, the important aspect of the Chilean experience was the active use of the available opportunities to advance the revolution not only "from below," but also "from above" (the necessity of which V.I. Lenin pointed out).<sup>4</sup>

As a result of the first major victory in the struggle for power, the Chilean proletariat and its allies increased the likelihood of a peaceful revolutionary path, i.e., the intensification of the democratic and anti-imperialist revolution with the prospect of it becoming a socialist revolution. The acquisition of all political power and the establishment of a complete, revolutionary-democratic dictatorship, became a very important task with regard to providing for the further development of the revolution. This required the finding of a way (with the active participation of the masses) to overcome the division of power (into executive and legislative) which is characteristic of bourgeois parliamentary democracy, to combine in the form of one revolutionary-democratic organ all of its functional manifestations. The only means toward this end was still to be found in work among the masses, organizational work, the fullest possible use of state and government institutions and levers which turned up in the hands of the revolutionary forces in the interests of strengthening the mass people's movement.

In the course of the revolutionary transformations which had been unleashed, the alignment of forces was changing. In the revolutionary-democratic camp there arose currents, the representatives of which thought that the revolution had already fulfilled the tasks facing it; they wanted to halt its advancement toward socialism. On the other hand, there was an increase in the activities of those who demanded an immediate transition to socialism and the establishment of the dicta-



torship of the proletariat in the country, although the conditions for this had not yet developed. The conflicts within the democratic coalition weakened it substantially; the most steadfast and politically mature detachments of the proletariat faced socio-political isolation. The political parties which headed the revolutionary movement became incapable of carrying out fully their vanguard role. The reaction took advantage of this both within the country and abroad. It unleashed against the government and Popular Unity a propaganda campaign of slander and attacks unprecedented in the history of the country; it began the counterrevolutionary mobilization of the petty bourgeois strata of the population, using bourgeois institutions of power successfully for this. These institutions included parliament, the judicial organs, the organizations of small and medium-sized business owners, their supporters in the armed forces and the police and the mass media. The Chilean reaction received enormous help from the international bourgeoisie, especially from the USA.

Two and a half months before the 1970 presidential elections the U.S. government defined its attitude toward the possibility of a Popular Unity victory. On 27 June 1970 H. Kissinger stated at a session of the "Committee of 40": "I do not understand why we must watch with indifference while a country becomes communist due to the irresponsibility of its own people."<sup>5</sup> In December 1970 the American magazine NEWS AND WORLD REPORT revealed the reason for the American government's concern over the course of events in Chile. "The Chilean experience will be studied carefully in Latin America," the journal wrote, "especially in Argentina, Bolivia, Uruguay, and Peru. The communists of Chile may become the beacon for many others..." U.S. government organizations appropriated the necessary funds to carry out a coup d'etat. It became known from materials of a Senate investigation of CIA activities that the intelligence agency was the author of a number of diversionary plans aimed against the government of S. Allende. They included: the murder of General Schneider, attempts to bring Allende down in the voting in the congress (bribery of deputies, attempts to conspire with Alessandri, Frei, the CDP), economic and financial blockade, plans and the implementation of socio-economic and political "destabilization." Material and moral assistance from the USA meant a great deal to the Chilean reaction: it gave the reaction greater confidence, helped it to recruit "volunteers" for diversions. Radomiro Tomic, a leader of the CDP who was also that party's candidate for president of the country in 1970, along with Allende, wrote subsequently: "Without the American presence and encouragement, its capacity to undermine social order and to dissolve political institutions would have been extremely limited."<sup>6</sup>

By 1973 the situation in the country had changed substantially. The completion of the main democratic and anti-imperialist transformations posed in an objective manner the question of the coming of the socialist revolution. However, the subjective conditions for it had not yet developed. On the one hand, the conditions for the peaceful transition

to the building of socialism did not exist. On the other hand, the revolutionary movement did not succeed in arming the people, nor did it prepare them for the change in the forms of struggle. The alternative slogans put forward by the Communist Party, "democracy or fascism" and "there is no civil war" did not find the necessary understanding among the masses (in whom socialist sentiments and a psychological willingness to accept open forms of struggle were growing rapidly); they met with opposition both within Popular Unity (the Socialist Party of Chile, some of the Christian leftists) and outside it (the Revolutionary Leftist Movement (MIR) and the Popular Socialist Alliance).

Under these conditions the reaction succeeded in attracting to its side influential circles of the military, who seized the leadership of the armed forces and isolated or destroyed the supporters of the government. The hopes for an alliance with the CDP on a platform of protecting the constitution and preventing civil war were not justified. By this time the leadership of the CDP had been seized by rightist conservative elements, who favored the overthrow of the legal government and in this way actually turned away from protecting bourgeois-democratic institutions. The revolution gradually shifted onto the defensive and it began to retreat. However, even when the revolutionary forces received the electoral support of nearly half the population (44 percent in March 1973 and more than 50 percent in April 1971) the Chilean bourgeoisie did not have a sufficiently broad social base to ensure itself a firm majority within the framework of the bourgeois-democratic regime. For this reason the entire counterrevolutionary opposition (including the bourgeois-liberal and national reformist opposition) obediently followed its extremist, reactionary-fascist segment, which imposed a terrorist, military-fascist dictatorship.

The question of power was the central question of the Chilean revolution as it is in any revolution. At the heart of the question is the development and implementation of a correct "strategy of alliances," or to use the words of V.I. Lenin, "the winning of a majority." More concretely, this is a question of the unity of the working class, the peasantry, the middle urban strata under the leadership of the proletariat. From the viewpoint of political tactics an equally important spot is occupied by the question of a bloc consisting of Popular Unity and the CDP. It was precisely this alliance which ensured the victory of the revolution in November 1970. The alignment of forces in the period of its offense was characterized not only by the presence of the socio-class bloc, which guaranteed the preponderance of the revolutionary-democratic and anti-imperialist movement, but also by the establishment of the leadership of the working class in this bloc in the person of the vanguard of the revolution--the communist and socialist parties, and in a broader sense by the entire coalition of Popular Unity.

After the defeat of the revolution, it became clear that the Popular Unity and CDP bloc could have prevented the victory of fascism. But

other questions arose: was this kind of a bloc practically possible? If it had been created, which forces (working class or bourgeoisie) would have played a leading role in it? Could the revolutionary process have continued in the presence of this kind of a bloc?

It is obvious that these questions are by no means abstract. Their solution is directly linked to today's struggle against the fascist regime in Chile and to the establishment of a broad democratic alliance of forces which is capable of defeating the junta.

Among those people who decisively opposed the alliance with Christian democracy during the revolution there have now appeared supporters of a bloc with the CDP, even at the cost of rejecting the struggle for proletarian hegemony. They rarely criticize Popular Unity for underestimating the middle strata, or for being unwilling to find mutual understanding with the Christian democrats. In this regard they consider that the Leninist idea of the leading role of the working class in the democratic revolution supposedly did not withstand the practical test in the course of the Chilean revolution; for this reason it is essential to work out a new theory "in line" with the present level of development of social relations. The logic of their thinking is this. Antagonistic contradictions do not exist between the working class and the middle strata, and this makes their alliance not only possible but also natural: the CDP is a party of the middle strata; consequently, it is natural to have an alliance between Popular Unity and the CDP; this alliance must be formed not under the leadership of the working class or even within the context of the struggle for its hegemony, but rather as an alliance of "equal partners," each carrying out, in "its own sphere," timely revolutionary actions without competing or running into each other, but rather serving the cause of revolution "equally."

This approach has two weak spots. The first is that although mistakes were made during the revolution with regard to policy toward the middle strata and the CDP (which, incidentally, is in reality a party of the reformist bourgeoisie and not a party of the middle strata), Popular Unity always had influential supporters of dialogue with the CDP, who worked consistently to expand cooperation with the Christian democrats, and to increase their participation in the revolutionary process. The second point concerns the capacity of the CDP itself for this kind of dialogue and further for concrete joint work with the people's government under conditions of revolution. It proved to be extremely limited.

Let us return to the question of what the so-called equal partnership of the working class and the middle strata leads to in practice. Under capitalism the middle strata find themselves in a relatively privileged position in comparison with the working class (a higher level of education, an incomparably greater share in the distribution of the national income, access to information, representation in the organs of

power, etc. Consequently, the "equal alliance" in fact can mean only the subordination of the working class to the bourgeoisie, and in the historical perspective it can mean at the best the realization of one more form of "national socialism" as a variety of the national-reformist model of capitalist development. The attraction of the Chilean revolution and the lasting significance of its lessons lie in the fact that it developed with participation by the broad strata of the people under the leadership of the working class. And this maintained the real prospect of its development into a socialist revolution. Failure to come to grips with this, to consider a given side of the question within the framework of the "mistakes" of the revolution would mean the complete emasculation of the very core of this truly historical experience of the contemporary revolutionary movement.

As numerous studies by Marxist and bourgeois scholars have shown, the middle strata are not unified socially or ideologically. They consist, on the one hand, of social groups of the transitional and early capitalist stages (ruined peasants and craftsmen, owners of small and medium-sized businesses, city merchants, etc.) and, on the other hand, hired workers of modern capitalist production (specialists, white-collar workers, the technical intelligentsia, government officials, including officers of the modern army). Consequently, they do not represent a class and they cannot play the role of a class. How can one talk about the "personal space, the ideological and political determination" of the middle strata? It is no accident that in the course of the socio-political struggle in all the capitalist countries of the world, including Chile, these groups support various political parties, from the extreme right to the extreme left. The scattered and isolated nature of their components are historically determined because they were created at various stages of the development of society.

If we take the extremely polarized centers in the ideological-political ideas prevailing among the middle strata, they will be, on the one hand, the various types of petty bourgeois and bourgeois utopian socialism (which is already reactionary under Chilean conditions), and on the other hand, state-capital and cooperative-capitalist models of national development. By their very essence these concepts are partly, dialectically acceptable to both the modern bourgeoisie and the proletariat, to the two main protagonists in the unfolding struggle, and this is the basic factor in the struggle between the bourgeoisie and the proletariat to attract the various groups of the middle strata to the side of the revolution or to the side of the counterrevolution.

The validity and inevitability of the working class's hegemony in the alliance of the broad popular forces under the contemporary conditions of class struggle are the result not only of its numbers and its qualitatively key position in social life, but also of its essence as the single force which is capable of uniting the middle strata, which are uncoordinated in a social and ideological-political regard, in the struggle for social progress (in contrast to the monopolistic bourgeoisie



which can achieve--historical experience testifies to this--the mobilization of the middle strata for the sake of the counterrevolutionary, including the fascist alternative).

The idea of the "equal partnership" is thus utopian. The proletariat fought and continues to fight for its leadership, both in revolution and now in the antifascist movement. It is another matter whether it can achieve this in the coming segment of historical development. If it becomes the leader of the democratic antifascist front, the process of liberating the country from the rule of the junta will take the form of a profound democratic and anti-imperialist revolution. If it does not succeed in this, then the fate of the country for a long time to come will be determined by various groups and blocs of the bourgeoisie and the more or less "democratic" plans of capitalism.

The Chilean revolution and the period of Popular Unity's power have posed a number of problems which have great significance for the international revolutionary and the national-liberation movement.

Some of the questions posed by the revolution have been given clear and convincing answers but others have remained completely or partly unresolved while provoking sharp polemics not only between the reaction and the democratic camp, but also within the revolutionary-democratic and anti-imperialist movement. In certain circles there has arisen a tendency to interpret the Chilean experience in such a way as to cast doubt upon the vitality of the Marxist-Leninist theory of revolution. In addition to the denial of the possibility of the peaceful path to the acquisition of power by the proletariat, there are attempts to present this path as the only one possible in our times, and to present the mechanism of bourgeois democracy as appropriate and sufficient for the socialist reconstruction of society.

V.I. Lenin never considered the possibility of the peaceful path of revolution apart from concrete historical conditions, apart from the alignment of class forces of the moment, from the entire political situation of the day. The conditions for the peaceful path arise and disappear within the framework of the development of the revolution. These conditions constitute a special and specific phenomenon which is rare in the development of the revolution, i.e., they include the general conditions for a democratic revolution (the presence of a revolutionary situation, the maturity of the subjective factor), the conditions for a democratic revolution to develop into a socialist one (hegemony of the proletariat in the alliance of the revolutionary-democratic forces) and, finally, conditions for the peaceful taking of power (the presence of the kind of preponderance of forces on the side of revolution under which the bourgeoisie and the ruling classes are not capable of exerting armed resistance). The peaceful path, according to the thought of V.I. Lenin, requires the winning of an overwhelming majority not only in general form but also in the form of mass organizations,<sup>7</sup> in the form of a fundamentally new form of power opposed to the bourgeoisie,<sup>8</sup>



i.e., the presence of that historical opposition of the forces of revolution and counterrevolution, which Lenin called dual power. In determining the conditions for the peaceful path, V.I. Lenin wrote: "Weapons in the hands of the people, the lack of coercion against the people from the outside--that was the essence of the matter. That is what opened up and ensured the peaceful path of development for the entire revolution."<sup>9</sup>

Consequently, it is not an "immature" revolutionary situation, nor a doubtful majority of the people or a weakness of the vanguard party, etc., but rather a high degree of maturity, a rare "supermaturity" of all the basic preconditions--conditions for the successful unfolding of the revolution, which constitute the atmosphere in which a revolution can develop according to a peaceful path.

Today we can affirm that the Chilean revolution in the offensive stage was spreading; it had on its side a majority of the people and at the very least it had neutralized the opportunities for the counterrevolution to use arms against the people. In this sense the peaceful path for the acquisition of power by the proletariat, a path which was partly traversed in Chile, confirmed the Leninist prediction about the conditions of this path. There is no doubt that the strategic line of the Communist Party of Chile and its allies concerning the unity of the working class and the middle strata of the city and the country was correct. Popular Unity made mistakes with regard to the tactics which were used to achieve this goal. As we have tried to show, changes in the alignment of class forces in the country required changes in tactical methods. The leadership of the revolution did not find in time the correct paths to the solution of the problems which had arisen. In the three years of the development of the Chilean revolution there were periods which called for a direct platform appeal by Popular Unity to the middle strata, and there were periods in which a political alliance with the CDP could have been concluded. These opportunities were not used. Major mistakes were made concerning the armed forces.<sup>10</sup>

The revolution in Chile was an historical landmark in the development of the revolutionary movement in Latin America. "The Chilean victory," wrote Rodney Arismendi, "marks the start of a new historical period... The events which unfolded there after the people's victory at the elections, express the essence of our epoch, as Cuba expressed it through its heroism at an earlier time."<sup>11</sup>

Revolution does not always or immediately end in victory. But the necessary experience of struggle has been extracted from the defeats of the people; they have learned how to be victorious. "There were in Latin America," noted L.I. Brezhnev, "remarkable heights of the liberation struggle, heroic deeds and victories, but there were also defeats and bloody massacres of patriots and revolutionaries.... But nothing from the lessons of the past will have been in vain. And, in particular, the coming to power of the Popular Unity party of Chile is an experience which will undoubtedly be used by fighters for freedom and national

independence."<sup>12</sup> In a speech to the 25th CPSU Congress L.I. Brezhnev emphasized that the "temporary defeat of the Chilean revolution does not diminish its historical merit or the significance of the experience."<sup>13</sup>

The Chilean revolution revealed both the strong and the weak aspects of the contemporary workers', communist and revolutionary-democratic movement in Chile and in other countries of the world as well. The international significance of this revolution is clearly revealed in the context of the global tasks of the peaceful revolutionary process. In this sense it can be viewed as an outstanding general rehearsal for the peaceful path of revolution at the present level of development of the class struggle, in an epoch in which two world systems exist and mankind is moving from capitalism to socialism.

#### FOOTNOTES

1. CHILE--AMERICA, Roma, Nos 28,29,30, 1977, p 104.
2. PROBLEMY MIRA I SOTSIALISMA, No 7, 1974, p 60.
3. SOUS LE DRAPEAU DU SOCIALISME, Paris, No 62, 1974, pp 30-31.
4. V.I. Lenin, "Poln. sobr. soch." [Complete Collected Works], Vol 11, pp 67-71.
5. CHILE--AMERICA, Nos 39-40, 1978, p 111.
6. Ibid., p 112.
7. "For several months following 27 February," wrote Lenin, "the will of the majority of the workers and peasants, the overwhelming population of the country, was clarified not only in general form. This will found expression in mass organizations--the soviets of workers', soldiers' and peasants' deputies." V.I. Lenin, "Poln. sobr. soch." [Complete Collected Works], Vol 32, p 408.
8. "Only in Russia is it possible to have a transfer of power to prepare institutions--the soviets--immediately, peacefully, and without insurrection, for the capitalists cannot resist the soviets of workers', soldiers' and peasants' deputies." V.I. Lenin, "Poln. sobr. soch." [Complete Collected Works], Vol 32, p 408.
9. V.I. Lenin, "Poln. sobr. soch." [Complete Collected Works], Vol 34, p 11.
10. In documents published after the coup the Communist Party of Chile provided a profound analysis of the mistakes and inadequacies as well as of the achievements of the revolution. See for example,

"Chilinskaya revolyutsiya, fashistskaya diktatura, bor'ba za osverzheniya i sozdaniye novoy demokratii. Plenum Tsentral'nogo komiteta Kommunisticheskoy partii Chili. Avgust 1977 g. Moskva" [The Chilean Revolution, Fascist Dictatorship, the Struggle to Overthrow It and to Create a New Democracy. Plenum of the Central Committee of the Communist Party of Chile. August 1977, Moscow], 1978; L. Givalan, "Nas zhдут nobyye bitvy. Izbrannyye stat'i i rech'i [New Battles Await Us. Selected Articles and Speeches], Moscow, 1978.

11. E. Arismendi. "Lenin, revolyutsiya i Latinskaya Amerika" [Lenin, Revolution and Latin America], Moscow, 1973, pp 495-496.
12. "Vizit Leonida Il'icha Brezhneva v Respubliku Kuba" [Leonid Il'ich Brezhnev's Visit to Cuba], Moscow, 1974, p 35.
13. L.I. Brezhnev, "Otchet Tsentral'nogo Komiteta KPSS i ocherednyye zadachi partii v oblasti vnutrenney i vneshney politiki" [Report of the CPSU Central Committee and the Immediate Tasks of the Party in the Area of Domestic and Foreign Policy], Moscow, 1976, p 36.

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## LEGAL BASIS FOR NEW FAMILY CODE DISCUSSED

Havana REVISTA CUBANA DE DERECHO in Spanish Jan-Dec 78 pp 241-251

[Article by Ernesto Buch Santos: "The Family Code"]

[Text] Introduction

The abolishment of private ownership of the means of production and the gradual abolition of classes and all forms of exploitation of some human beings by others, are, as is clearly stated by the text we analyze, the basic principle of the Socialist Society. The fact that a number of legal norms concerning the family, which were completely alien to our society because they clashed openly with the principles of equality of all citizens and were also discriminatory against the rights of women and children born out of wedlock, were the reasons which counseled the replacement of the aforementioned legal norms and their being formed into a separate unit, extracting them from the legislation which formerly considered them. Therefore, our Revolutionary Government passed Law 1289 dated 14 February 1975 (Family Code), after it had been widely discussed by all the workers of our country and approved by a majority of more than 98 percent, with the addition to the text of the draft of suggestions by the Legal Studies Committees, after an exhaustive analysis of each and every one of those presented.

The aforementioned Code legally regulates family institutions: marriage, divorce, parent-child relationships and obligations for providing sustenance, adoption and guidance; all of this aimed at strengthening the family and the bonds of reciprocal affection, help and respect among its members; the strengthening of the marriage legally normalized or judicially recognized by an authorized court with the most absolute equality of rights for men and women; the most effective compliance by parents with their obligations with respect to the protection, moral training and education of children so that they may develop fully in all aspects and as decent citizens of the Socialist Society and, in short, the full realization of the principle of equality of all children, all of which is the legal and moral foundation of the instrument we analyze in this article.

Once the reasons which counseled the passage of the Family Code and the institutions it regulates are explained, we shall discuss the few but important changes made in this legal matter by Law No 9 dated 22 August 1977, whose general text we shall examine in the most specific way possible and with the greatest clarity with respect to the most outstanding aspects of the institutions to which we have referred, showing the conceptual differences when compared with previous legislation.

## 1. Marriage

Making a realization of the deep desire of Jose Marti: "I want the primary law of our republic to be the worship by Cubans of the complete dignity of man," our people through free, direct and secret vote in a referendum, adopted the Constitution of the Republic of Cuba by an overwhelming majority. It, and the Family Code, which had been approved previously, went into effect 24 February 1976. It substantially changed the archaic concept and legal nature of the institution of marriage; it ceasing to be a merely civil contract and becoming "the voluntarily agreed upon union of a man and a woman legally fit for it for the purpose of living together."

Marriage rests on the basis of an absolute equality of rights and duties of both spouses, who are obliged to maintain the home and diligently care for the family they have formed and to cooperate jointly and closely in the education and training of the children pursuant to the principles of socialist morality.

Those officials responsible for Marital Status Records and the notary publics are the officials authorized to formalize marriages in keeping with the provisions of the code to which we refer, just as the consuls and vice consuls of the republic have the power to authorize marriage between Cubans abroad. The chief officer of a warship or the captain of a merchant or fishing ship shall also authorize marriages which may take place on board, as may the military field commander, when it is a matter of members of such military body under the same circumstances. It must be understood that in the latter two cases the marriage will be understood to be conditional as long as the marital status of the two parties has not been proved with documents if their previous marriage ended for any reason. If a foreigner, he or she must also show a foreign identity card and show authorization from the minister of justice to formalize his or her marriage in Cuba.

Women and men of over 18 years-of-age are legally authorized to marry although, exceptionally, and for justified reasons, the parents, grandparents in their absence, the step-parents, guardians, or in other cases, the court, may grant those under 18 years-of-age the authorization to marry, providing the female is at least 14 years-of-age and the male has passed his 16th birthday.

Law 1289 continued explaining that if those persons refused to grant the aforementioned authorization, one or the other of the couple affected or an older brother or sister, with the help of the district attorney, can petition the pertinent People's Court to grant the aforementioned authorization, it making its decision on the basis of the social good and that of the interested couple.



This is a precept which has been modified by Law No 9 dated 22 August 1977, Article 3 Paragraph 1, which states, that this exceptional authorization may be granted jointly by the mother and father, or one of them if the other is dead or deprived of parental rights, while the previous legislation referred to the father and mother jointly or to the one having parental rights. Also added to Paragraph 3 was subparagraph 5, which in our opinion is of extraordinary importance and states textually: "One of those authorized to do so can do it alone when the other who should grant it together with him is prevented from doing so." Article 6 has also been clarified and changed where it explains that in case some of those who are supposed to grant authorization jointly with another refuse to grant such authorization, those wanting to marry, or one of them, or an adult brother or sister of either of them, can request the pertinent People's Court to grant the aforementioned authorization. As can be seen, the new context refers to "those parties interested in marrying" while previously it only referred to "those interested parties," it also being observed that the "help of the district attorney" has been abolished, therefore, the aforementioned interested parties and the others to whom the precept applies may directly request the granting of the authorization required and the court will decide whatever is applicable, taking into consideration the interests of society and the couple, after having heard the opinion of all the interested parties from the District Attorney's Office.

Our Revolutionary text also considers "The existence of a matrimonial union between a man and a woman legally fit for it and who have the requirements of singleness and stability, shall have all the effects of a legally formalized marriage when it is recognized by the pertinent court. If that union is stable, but does not meet the requirement of singleness because one of the two is involved in a previous marriage, full legal rights shall accrue to the person who acted in good faith and to the children resulting from the aforementioned union."

It is necessary to point out that the formalization of the legal recognition of a marriage between a man and woman joined in the previously mentioned way will be retroactive, as far as its effects are concerned, to the date of the beginning of the union declared in the legal decision.

Finally, one of the questions of great importance which refers to the legal decision on the presumption of death of one of the parties, covered by Article 44 of Law 1289 dated 1975, is that which is added to the second paragraph of that precept where it refers to the case of the appearance of the spouse declared presumably dead and the other spouse has married again. This marriage is valid according to our law. In this case, the new law, No 9 dated 1977, states that the spouse who reappears will have the marital status of a divorced person, a question which, as we have said, was not mentioned in Law No 1289.

## 2. Divorce

The institution of divorce regulated by our Family Code produces the dissolution of marriage bonds and can only be obtained by a legal decision and will take

place by the mutual agreement of the spouses or when the court confirms that there are reasons which make the marriage lose its sense for the spouses and children, and thereby for society, because an objective situation has been created that prevents the exercise of rights and fulfillment of obligations between the spouses and between them and their children. If we analyze the provisions previously established, we see that in them the moral content of the institution of marriage to which we have already referred, prevails, in contrast to the regulation contained in Decree Law No 206 dated 10 May 1934 (Divorce Law), which remained current until the passage of the legal measure to which we are referring, and which stated that divorce could be had through mutual agreement of the spouses or for any of the 18 taxatively enumerated reasons which were the bases for action existing at the time.

That decree-law was based on the principle of divorce with fault and rarely accepted that which was obtained for no-fault reasons, since the aforementioned causes for divorce could be grouped under the category of with fault or no-fault or "sin culpa." When divorce judgements were based on the former, inevitably, given their nature, there were prejudicial aspects given to the morality of those involved in a public and well-disseminated manner, which permanently degraded them in public opinion and in a great degree unjustly harmed the children, who were completely alien to the actions of their parents, marking them with a stigma which psychologically and morally prejudiced their future development.

The existence of the causes for divorce to which we referred were due to the fact that marriage was considered a civil contract, as we explained when we referred to the institution, and, therefore, affected it substantially. The elimination of those causes and the new concept of divorce contained in our current legal provisions is a great step forward in our legal regulation.

### 3. Parent-Child Relationships

With respect to parent-child relationships, the Family Code states that all children are equal and because of that enjoy equal rights and have the same duties toward their parents, regardless of their marital status, unlike that which was established in previous legislation in which there were legitimate children (those born during wedlock), natural children (born of parents who were not married but who were legally fit for marriage), and finally, by those called "illegitimate," who were those who were conceived by parents who were not in a position to marry. Pursuant to this differentiation among children, they unfairly received a different treatment in the moral as well as material aspect. It is enough to say that in the problem of intestate inheritance, a recognized natural child could only receive one-half of what a legitimate intestate heir could receive and the illegitimate child only had right to food and clothing. Our Family Code, by eliminating every distinction among children because of their origins, has, in our opinion, taken a fairer, more equitable and more human step forward, something which is only possible in a socialist society.

Pursuant to previous legislation, the child of parents who were not married could not be registered in the Civil Register with the surname of both of them if they did not jointly agree to do so.

The Family Code decrees that registration in this case should be done by both parents, however, when it is only requested by the mother and she gives the name of the father, he will personally be called to appear before the official in charge of the Marital Status Register and be informed that if within the period of 30 days he does not appear to admit or deny paternity, the child will be registered as his.

If the period passes and paternity has not been denied, the registration is formalized and once this is done it can only be impugned by means of whatever process applies within a period of 1 year. If paternity is denied, the registration will take place but without the name of the father, without prejudice to the right of the mother to require the registration to be made in whatever way is appropriate.

To establish the interest of the state in having the parents fulfill their duties to their children, regardless of the marital status of the parents, is a basic principle of the Family Code and thus, the primary obligation is that of acknowledging them by registering their birth. If this is not done voluntarily, our law bypasses the regular process of registration, the request for which should be forwarded to the Civil and Administrative Sections of the pertinent Provincial People's Court, pursuant to the provisions of the Law on Civil and Administrative Procedures, so that after the fulfillment of the requirements of the Family Code, a decision is issued decreeing the requested registration, if it is appropriate.

With respect to relationship between parents and children, the exercise of parental rights has exceptional importance in our Family Code, since it considers the obligatoriness of children respecting, considering, helping and obeying their parents, while they in turn have to keep their children under their protection and care, provide them with a stable home, proper support, care of their personal health and grooming, provide them with suitable recreational means, protect them properly, watch over their good behavior, cooperate with authorities to overcome any situation or ambiental environment which may unfavorably affect the children's training and development, see to their education, instill love of study in them, insure their attendance to classes, see to it that they improve themselves technically, scientifically and culturally, depending on their aptitudes, vocation and the requirements of the country's development, and also cooperate with educational authorities. They must also concern themselves with the training of their children for social life; imbuing them with the love of country, respect for its symbols and due appreciation of its values, internationalist spirit, the norms of coexistence, socialist morality and respect for the patrimonial wealth of society and the personal goods and rights of others and instill in them, through actions and the treatment given them, the knowledge of the respect they owe them, and teach them to respect the authorities, their teachers and other persons.

With respect to economic relationships, parents shall administer and care for the property of their children with the greatest diligence; will see to it that their children will properly use and enjoy the property belonging to them, and they may not give, exchange or sell it except for justified reasons of usefulness and need after authorization by the pertinent court and a hearing with the district attorney.

With respect to the civil capability of minors, the parents shall represent their children in all legal activities and business in which they have an interest, exercising their capabilities in those affairs in which full capability of action is required, performing those actions which by law are required in order to defend their interests and property.

The exercise of parental rights will be practiced until the children reach their majority, which at this time is established at 18 years-of-age and not 21 years as was required by previous legislation.

The rules contained in the Family Code with respect to the protection and care of children, is also very important because as a result of the dissolution of marriages, this aspect would cause serious upheavals if there were no regulations as proper and fair as those contained in the legal regulation we are analyzing. In the first place, the agreement of the parents, when they do not live together, will prevail. If there is no agreement between them, or if that agreement is against the moral or material interests of the children, the question shall be resolved by the pertinent court in a way which shall be the most beneficial for the minors. As a general rule, all other conditions being equal, it shall be ruled that the children will remain with the parent in whose company they were up until the time the disagreement ensued, the mother being preferable if the children are with both of them, unless, and in every case, special reasons advise otherwise.

#### 4. Obligation to Provide Support

Our Family Code understands support, as applied to minors, to mean sustenance, shelter, and clothing, as well as education, recreation and development. These shall be required from those who are obliged to provide them but without losing sight of the fact that this burden falls equally upon both parents. The amount of support shall be proportional to the economic means of those who provide it and the needs of those who receive it, it being possible to reduce or increase it proportionately according to the decrease or increase of the needs of the one being supported and the economic income of the one who has to provide it.

Minors may always demand support from their parents. The other persons with the right to receive it may do so when they are prevented from obtaining support by themselves because of age or incapacity. As can be seen, this provision of our Family Code referring to those who are mutually obliged to provide each other with sustenance: spouses, forebears and descendants, adoptants and adopted and brothers of any degree, is a positive innovation because it defines the true scope of the provision of sustenance, that is, with the exception of minors with respect to their parents, those who are fit for working do



not have that right, something which is only possible in a society such as ours in which the Socialist State, as the Government of the People and at their service, guarantees in our Constitution that there is no man or woman who can work who does not have the opportunity to obtain employment by means of which he or she can contribute to the objectives of society and the satisfaction of personal needs, applying the socialist principle: "From each according to his capacity; to each according to his work."

Our Family Code also covers the ways of canceling parental rights as well as the loss or suspension of them by both parents, or one of them, with the reasons or motives which lead to it being explained. It is well understood that the loss or suspension of parental rights does not exempt the parents from the obligation of providing support for their children.

In sentences handed down by the Civil Courts depriving both or one parent of parental rights, or the exercise of rights is suspended, child support will be provided as applicable on the basis of the legal representation, protection and care of minors.

The affected parent or the district attorney may, through an appeal under the proper conditions, ask for an end to the suspension of parental rights as well as the modification of any other measures to which the previous paragraph refers when the circumstances which justified their adoption have changed.

As can be seen, this last paragraph refers only to the end to the suspension of parental rights and makes no provision for deprivation of them.

## 5. Adoption

As far as adoption is concerned, the Family Code, upon establishing this institution, establishes it in the interest of the better development and education of the minor, creating between the adoptants and adoptees a bond of parenthood similar to that existing between parents and children, with the same rights and duties. In order to adopt, it is necessary to have reached 25 years-of-age (in previous legislation it was 45), be in full enjoyment of civil and political rights, be in a situation of being able to provide for the economic needs of the adoptee and, finally, have the moral character and have had a behavior which allows the reasonable assumption that he will perform the duties to the adoptee, which the Code establishes for parents with respect to children under their control. It is necessary to point out that the adoptants must be at least 15 years older than the adoptees.

Pursuant to Law No 9 dated August 1977, in order for couples to adopt they must do it jointly and except in this case, no one may be adopted by more than one person. Law No 9 adds in its Article 101 that, however, one of the spouses may adopt the child of the other if the other parent of the minor to be adopted has died or has been deprived of parental rights. This addition, in our opinion, has relevant importance and has come to resolve in practice some de facto situations of real moral content, which before the existence of the new law had no possible solution.



Article 103 of the Family Code was also modified partially. Paragraph 3 was expanded to state that not only may minors of 16 years-of-age be adopted when parental rights have been canceled with respect to them, but also, and this is the addition: "When both parents have been deprived of them." Those who are subject to parental rights may also be adopted if those who exercise them give their express consent.

Legal authorization for adoption will have to be obtained through an action of voluntary jurisdiction presented by the adoptants, with intervention by the district attorney.

## 6. Guardianship

Another of the institutions contained in the Family Code, and which differs substantially from that regulated by the previous legislation contained in the Civil Code, is guardianship. Subject to guardianship are minors who are not under parental control and those adults who have been declared legally incapable of caring for themselves or administering their property because of mental disorders, being a deaf-mute or any other reason. Guardianship is legally established and has the objective of protecting, caring, educating, defending the rights and protecting the patrimonial interests of minors who are not under parental control and the fulfillment of civil obligations of the adults who have been declared legally incapacitated. In all cases, when the district attorney has been notified of the need to place a person under guardianship, he will institute measures to establish it if it is believed necessary, and he will also do it if parental rights of one exercising them are rescinded or, if applicable, an adoption is revoked.

The institution of guardianship, which up to the passage of the Family Code was regulated by the Civil Code, was exercised by a single guardian under the surveillance of the protutor. That legal text covered three classes of guardianship: testamentary guardianship, legitimate guardianship and dative guardianship. The latter was applicable when there was no testamentary guardian or persons legally bound to exercise the vacant guardianship, it then being up to the Family Council to choose the guardian in those cases where a guardianship had to be established.

From the above it can be seen that our Code eliminated the Family Council, the protutor and the method used for establishing guardianship, which represents a substantial difference between it and previous legislation because besides the fact that it simplifies the process, it offers real safeguards to the persons subject to guardianship, since it is the court which establishes it. The court does this, taking into account that which is most beneficial for the minor or for the incapacitated adult, with the ideal person for such high purposes being appointed as guardian. Because there are no fundamental pecuniary interests, since private ownership of means of production has been abolished, the guardian is not moved by bastard economic interests for his own benefit, as happened in many cases before, but rather by the praiseworthy objectives inherent in such an appointment.

The new political-administrative division of our country and, subsequently, the passage of the Law of Organization of the Judicial System in which the Rank and File People's Courts and Regional People's Courts are abolished and replaced by the Municipal Courts, brought the modification of Articles 142 and 143 of the Family Code as a result. In them the phrases "Rank and File People's Courts" and "Regional People's Courts" were replaced by the phrase "Pertinent Court." Articles 162 and 163 of the same body of law have also been modified, it being stated that the books in which established guardianships are recorded shall be kept by the courts responsible for oversight of each guardianship and not by the Regional People's Courts. The custody of those books shall remain in the hands of the court secretary, or if applicable, the secretary of the pertinent section, who shall make the entries and issue certifications, and not the secretary of the pertinent Civil Section as was stated in the oft-mentioned Family Code.

In this modest essay, we have tried to show briefly the substantial differences existing between the institutions covered by the Family Code and the way in which they were covered by the Civil Code and Decree-Law No 26 dated 10 May 1934, which regulated encumbered divorce in our country, as well as the moral concept of those institutions covered by the provisions of our current body of laws, the result of the adaptation of those provisions to the principles which rule a Socialist Society.

8908

CSO: 3010

## EL SALVADOR

### JUNTA COUNTERS GERMAN ORGANIZATION'S CRITICISM OF REFORMS

San Salvador LA PRENSA GRAFICA in Spanish 2 Oct 80 p1 2, 20

[Text] The Information Secretariat of the Government's Revolutionary Junta yesterday countered statements from Germany that authority is exercised in El Salvador by the rightwing military to the advantage of a well-to-do minority.

"The German organization, 'Medico Internacional' [International Doctor], of Frankfurt " according to the report, "published statements that are the result of ignorance of Salvadoran reality or the malicious influence of sectarian interests."

A report sent to Germany by the Information Secretariat of the Junta, through the DPA Agency, fully explains the profound socioeconomic changes that have benefited the great majority of Salvadorans.

"An example of that," specifies the report, "is the case of the Agrarian Reform, the first in Latin America, which from its inception has increased the crop yield of the land."

"They say that the Agrarian Reform has affected 263 properties, including the best land in the entire country; that represents the establishment of 263 cooperatives made up of many peasants. Before, there were 200 rich families who made a profit from that land; now, hundreds of thousands of peasant families are the beneficiaries, a fact those who make those capricious statements fail to recognize," the Salvadoran spokesmen told Germany.

They Explain...

Elsewhere Medico Internacional says that El Salvador is "hermetically sealed" and that "the Salvadorans who escape run the risk of death." "What the above mentioned organization does not say," says the Information Secretariat, "is that those Salvadorans who 'are running' do so because the extremist groups that operate in El Salvador have devoted themselves for some time to murder and terrorism and are destroying very many sources of employment, which has caused logical fear in many sectors; but that here there are also 4 and 1/2 million Salvadorans who tenaciously and courageously defy the threats of terrorists. These people have successfully resisted in the face of the worst kinds of calamities."

The Salvadoran Government's report shows that the statements of Medico International lack objectivity and are biased in favor of terrorist groups. Those very statements, it notes, could serve as a model of misinformation and could even indicate that the authors are disciples of Goebbels who practice Nazi propaganda methods.

It explains that the government has proposed suitable political solutions, like elections. It points out that extreme rightist terrorists are the ones who are employing violence in order to attain political power, and that they are doing this because they have no possibility of winning at the polls.

Finally, it explains that the main struggle in which the Salvadoran people are engaged is for peace of mind, inasmuch as they are tired of so much violence and so much terrorism.

8255

CSO: 3010

INCREASING AUTHORITARIANISM OF FSLN SEEN AS DISTURBING

San Pedro Sula LA PRENSA in Spanish 7 Oct 80 p 7

[Editorial: "'Proletarian' Production and Discipline in Nicaragua"]

[Text] Very interesting indeed are the events that are occurring in Nicaragua, that have to do with relations between the labor movement and production centers--for the most part state-owned--that operate there under the aegis of Sandinism.

A telex from Managua, for which the Central American News Agency accepted responsibility, indicates that "the Nicaraguan Government announced on Thursday (2 October ) that seizures of factories, lands, and houses will not be tolerated in this country--and neither will illegal strikes be permitted."

According to the news report, "the five members of the National Reconstruction Junta--Daniel Ortega, Arturo Cruz, Rafael Cordova Rivas, Sergio Ramirez, and Moises Hassan--broadcast a statement on a national broadcasting channel.

It fell to Arturo Cruz, a member of the executive committee, to read the message that dealt with various topics; and "profound reflections were made on situations that affect the revolutionary process."

In the judgment of the government, there are specific plans in this country for economic destabilization through the paralysis of production in the forthcoming weeks.

"There is also a plan to defy the revolutionary order," says the document.

"All of this is occurring," added the Governmental Junta, as the time approaches for the arrival of the Inter-American Committee on Human Rights, which is to come to Nicaragua in answer to an invitation of the Sandinist government.

"Therefore," added the Junta, "it is time to announce with firmness and with the backing of the people that no challenge to order and stability will be tolerated."

The Nicaraguan Government warned that it is not a question of creating a state of emergency, but pointed out that the revolutionary decrees will be "strictly" applied to those who instigate civil disobedience or who counter the authorities.



The revolutionary decrees will also be applied against those who may be found guilty of "disrespect" to the armed forces or the police of the country.

The same thing will happen to those who may seize factories and centers of production; those who obstruct the flow of finished products from factories; those who may try to stop public conveyances; or those who may instigate the seizure of land.

Finally it was announced that peasants who have land claims must make them through the Nicaraguan Institute for Agrarian Reform and "never through de facto means, as occurs in other countries."

This is the substance of the news report.

Although this is a long citation, its importance amply justifies its being repeated, because it brings out various facts that the independent press has been emphasizing for years, in the face of the quasi indifference of the political sectors that currently represent our countries.

To begin with, it confirms a matter which--in spite of its being known--we often do not gauge conscientiously: that is, under leftist military regimes (especially under marxist totalitarianism), there is no right to strike.

For organized workers, the right to strike is tantamount to that of free speech in the case of journalists.

Generations of democratic, honest, and courageous labor union leaders gave their lives to win that right. Communism, which is said to be the "vanguard of the working class," has openly and frankly obliterated with a stroke of the pen that vital conquest in behalf of the "order and stability" mentioned in the statement referred to in the preceding paragraphs.

In addition to that, there are "seizures" of factories, farms, public offices, etc., which are so much in vogue in democratic countries and which all kinds of leftist groups carry out without any kind of restraint--even over trifles--in the face of indulgence on the part of our administrators and of a society that has been bombarded with feverish and mistaken preachment with respect to human rights; because, while on the one hand it defends the presumed rights of vociferous groups, on the other it ignores and suppresses the legitimate rights of hundreds or thousands of persons who are hurt when an extremist minority sets a factory on fire and leaves many families without work or food.

Not only that: The announcement says that the decree will be "strictly" applied to those who "are disrespectful" of the Sandinist military and police. What is "disrespect" in that context? Who decides when a citizen, or a group of citizens, is disrespectful of the police or, on the other hand, demands respect for the interests of the majority, their religious and political beliefs, or their standard of moral values?

What do the sympathizers of the Honduran left think of these methods, they who spend most of their time concocting violent acts against the government and private enterprise and planning attacks on centers of production, instead of devoting themselves to creative work and establishing their claims through dignified, responsible, and legal means?

Perhaps these aspiring leaders would prefer that we have a government that is capable of introducing draconian measures against the people's most basic rights, provided that those oppressive measures be carried out in the name of the revolution and the "proletarian dictatorship," which is nothing but a means of tyrannizing workers and the rest of the population?

With each day that passes, the situation becomes clearer and more alarming.

Once more experience teaches that one must not wait until a society, dominated by injustice, extreme poverty, the authoritarian sternness of an unpopular government (as in the Somoza era) and widespread underdevelopment, comes to the point of expanding because of totalitarian tyranny. On the contrary, progressive reforms and changes must be found to improve the well being of the majority, with respect for the right of minorities, so that peace, social harmony, equally shared progress, and freedom will prosper. Do we agree?

8255

CSO: 3010

# IBARRA PLEDGES HEALTHY ECONOMY, STRONG CURRENCY

Mexico City EL SOL DE MEXICO in Spanish 4 Sep 80 pp 1-A, 12-A

[Article by Roberto Noriega G.]

[Text] Mexico's economy--in a world afflicted by depression and inflation--is healthy and its currency stable, the secretary of finance and public credit said last night, as he announced that the nation's chief executive has decided to allocate 175 billion pesos this year to support SAM [Mexican Food Distribution System], aid production of staple goods, and provide an impetus to the activities of the COPLAMAR in the nation's areas.

Lawyer David Ibarra Munoz, as he revealed a package of economic and fiscal measures, the object of which is "a more equitable distribution of the benefits of growth," also indicated that the executive branch will submit a bill providing for further tax reductions for persons in the lower income brackets--at a cost of 11 billion pesos in reduced tax revenues--and another bill providing for a 35 percent excise tax on luxury items such as luxury automobiles, yachts, planes, etc. The VAT [value-added tax] will remain unchanged.

Ibarra also said in Los Pinos last night that, based on an agreement with the chief executive, additional incentives will be provided to the programs for promoting the construction of socially needed housing for sale or rent, and that a bill will also be introduced in this regard providing for raising the current 3 percent rate of deductible depreciation to 5 percent, thus supplementing the incentive tax treatment.

The official clarified that these measures--tax reduction, aid to production of staple items, and other new measures--"do not mean a reduction of tax revenues in absolute terms; these will continue rising at a healthy rate thanks to the modern administrative system the president of the Republic has instituted and to the responsibility of its top officials."

The package announced by Ibarra Munoz can be broken out into nine main components, the first having to do with the application of fiscal and credit resources to the food system, to COPLAMAR activities and to the

production of staple goods. These are programs for which 147 billion pesos had been allocated at the beginning of the year. To step up activities, cover deficits and advance these programs more rapidly, the chief executive has decided to add 28 billion pesos to that sum, bringing the total allocation to 175 billion by the end of the year.

Besides this, however, Ibarra Muñoz said during his press conference, there are some additional supportive measures.

By decision of the president of the Republic, producers of staple items of popular consumption will be issued fiscal promotion certificates to increase their production and to thus keep prices stable and the country supplied. The total involved will be 4.5 billion pesos.

Another 4.6 billion pesos will go to producers of durable or nondurable consumer items which, however, are intended for the popular classes.

Together with these, there will be a significant increase in funds to be channeled through the existing mechanisms for the protection of small and medium producers and low-income consumers, namely, the FONACOT whose capital and credit resources will be increased considerably.

The same will be done in the case of the fideicomissums for the cooperatives, "because we want to encourage production and improve the system of marketing," said the finance minister.

Additionally, The funds of the Rural Bank and of the FIRA will be increased so that over an area of between 1 million and 2 million hectares, production of staple foods of popular consumption will be increased this year.

He summarized the most noteworthy aspects of these measures, decided by the chief executive, under three headings.

They are: tax relief for physical persons, especially those in the lower income brackets; tax treatment favoring the construction of socially needed housing; and VAT tax relief in the popular consumption goods category, in the form of a tax reduction of the order of 90 percent, with only those items being taxed that are injurious to health.

All of these tax relief and fiscal incentive measures represent a total of 27 billion pesos this year, the minister said.

Aside from this, speaking of the situation of the peso, the finance minister said that "it is to be hoped that this kind of question, which reveals underlying rumors that are prejudicial, will not be raised very often."

"Mexico," he said, "is prosperous. In a world in the throes of recession and galloping inflation, our country is the exception. Our export revenues are high.

"The soundness of the Mexican economy is evident despite external factors," the finance minister said, pointing, as proof of this, to the additional supports being provided by the government to its three basic programs: SAM, COPLAMAR and basic goods production.

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CSO: 3010



MEXICO

OTeyZA: PETROLEUM PRODUCTION WILL NOT BE CHANGED

Mexico City EL DIA in Spanish 8 Sep 80 p 2

[Text] For the remainder of this 6-year period, Mexico will not change its petroleum production program despite internal and external pressures, Secretary of Patrimony and Industrial development Jose Andres Oteyza asserted yesterday, stating in a press conference that the National Energy Plan will be submitted to the president of the republic at the end of this month.

Oteyza also announced to those present at the Conference on Economic Policy of Energy Self-Sufficient Countries that in the immediate future our country will extend the energy aid it is currently providing to Central America and the Caribbean countries to cover all of Latin America, indicating that this is consistent with the World Energy Plan proposed by Mexico to the United Nations.

The minister stated that the Energy Plan is based fundamentally on an oil production program of 2.5 million barrels a day, with a 10-percent margin of fluctuation. Nevertheless, he admitted that pressures exist for our country to increase this program--pressures, he said, that are sometimes as subtle as to be unidentifiable.

He asserted that the development plans and programs the government had instituted are based on its own development program criteria without regard for those pressures and that oil exports and the foreign currency they generate are kept strictly in accordance with the national interest, with the capacity for their absorption by the Mexican economy, and with our own development programs.

He admitted that notwithstanding the "relative success" being enjoyed by the economic plans instituted by the current administration, we do have the problems of inflation, of the concentration of income, and important ones related to our foreign trade structure.

"This," he said, "is a source of concern to us and the object of special attention on our part." Although the funds being generated by oil are already visible, he pointed out, "we now have to complete the second part of the program, which is to channel them properly to achieve a good balance in our productive structure and in our international trade structure."

However, there are other problems, such as that of international relations. We have adopted the policy of bilateral negotiations and therefore have not joined the GATT [General Agreement on Tariffs and Trade (UN)]. In this manner, independently of the sale of oil, "we are demanding real transfers of technologies and capital goods. This has led us to visit different countries in an effort to advance this program."

As regards the aid to be extended to all of Latin America, he said it will range from exploration to the transfer of technology and real resources for energy development. Work will proceed in this manner, although implementation of the world plan is not yet possible, since things "move slowly" at the United Nations.

In commenting on the importance of the 3-day conference held in the city of Oaxaca, he said the most important thing had been that countries like Great Britain, Canada, Norway and Holland had supported Mexico's policies based on not opting for an oil-oriented road but rather for the road of a country with oil.

The government's economic policy, Oteyza said, is founded on three basic decisions: to plan our growth and to moderate and minimize the effects of the traditional mechanisms of the marketplace; to channel our development along the road to a better balance and a diversification of our economic structure, getting away from the oil model that could hang like a cloud over our future; and lastly, the Mexican government's decision not to join the GATT for the time being.

He admitted, however, that we have achieved only a limited success in the reorientation of our growth and that we are beginning to feel the effects of the sectorial and regional reorientation of our growth. There are still many problems.

At a breakfast meeting with journalists, and in regard to the question of whether there might be an oil-products price rise for people within the country, Oteyza said: "Things will have to be adjusted gradually, as circumstances make it desirable to do so." He explained the pricing rationale and said its aim is to not worsen the price-rise problem for the inhabitants, which is already acute, to not generate inflationary effects and to favor industrial growth.

MEXICO

ANOTHER PEMEX OIL SPILL REPORTED

Mexico City EL SOL DE MEXICO in Spanish 31 Aug 80 p 2-A

[Article by Arturo de Aquino]

[Text] The oil pipeline that interconnects the oil drilling platforms in the Campeche Sound was cut by an anchor cable of the lighter "Tolteca," causing a serious leak and compelling PEMEX [Mexican Petroleum] to shut down its wells in the zone, which are producing 60,000 barrels a day, to avoid a spill and possible environmental contamination.

Despite the preventive measures taken, the oil that managed to escape formed an immense black patch immediately on the surface of the sea, making it necessary to treat the affected area immediately with dispersing agent.

The new PEMEX spill took place yesterday, this time in the underwater pipeline built in the Campeche Sound, which was cut while the lighter "Tolteca" was maneuvering in the oil-drilling area.

PEMEX stated that the damaged pipeline has a diameter of 24 inches and can deliver a total of 150,000 barrels a day of crude; 60,000 of these come from the wells in the Nohoch area--the affected zone--and the other 90,000 are part of the production from platforms Akal F and Akal I.

The enterprise explained that the accident had occurred at 0620 hours yesterday while the lighter was maneuvering to anchor in the vicinity of platform AKAL C.

As a result of the accident, pumping of oil was suspended immediately and the wells whose production is handled by platform Nohoch A were shut down.

As soon as the Environmental Protection Agency office was notified, its emergency brigades sped to the site of the accident, to control the spillage and treat the affected area with dispersing agent.

According to PEMEX, the wells shut down are C-2011, C-2011-D, C-2073 and C-2095, which means a reduction of 60,000 barrels a day of output.

PEMEX also indicated that, taking advantage of existing installations, the production of platforms Akal F and Akal I were diverted to the Akal J and Akal C complexes respectively, which together can handle a total of 750,000 barrels a day.

Lastly, PEMEX indicated that necessary work is going forward in the AKAL-C and Akal J complexes to interconnect production platform Nohoch A, and that normal production is expected to be resumed within the next 24 hours.

As is known, the oil extracted from the Campeche Sound accounts for the rise in recent months of the national oil production indexes. Besides, the wells in that zone are registering the highest levels of production per well not only in Mexico but throughout the world.

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CSO: 3010

MEXICO

SECOND CHICOASEN UNIT GOES ON LINE

Mexico City EXCELSIOR in Spanish 5 Sep 80 p 31-A

[Text] The second unit of the Chicoasen hydroelectric plant was placed in service yesterday. This brings the plant's production capacity up to 67,000 kilowatts, and by the end of this year this plant, over the Grijalva river, will have an installed capacity of 1.5 million kilowatts.

In announcing this, the Federal Commission on Electricity [CFE] added that the supply of electric power had reached normalization with the putting into operation of another 67,000 kilowatts being generated by gas-driven plants in Ciudad Juarez, the city of Chihuahua and Piedras Negras to serve that important zone of the country's northern border.

The CFE reported that the rainy season has been normal in the upper Balsas, that the El Infiernillo dam's water level can be considered normal for this time of the year, and that the dam is expected to be completely filled by the end of the rain cycle.

As regards the Grijalva basin, the rains have not yet reached normal, but it is expected that they soon will, besides which a program has been started in cooperation with the Secretariat of Agriculture and Water Resources.

Three of the country's largest hydroelectric plants are installed over the Grijalva: Angostura, Chicoasen and Malpaso; and this is why it is important that cloud formations be diverted toward that zone and that rain be induced artificially.

Lastly, the CFE said the power failures that have been experienced in Mexico City have been owing to the distribution network and heavy rains that have fallen in the capital city of the Republic. It said that work is going forward at an accelerated rate to repair the faults.

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CSG: 3010



## FSLN COMMEMORATES HEROES, MARTYRS IN OCTOBER CELEBRATIONS

### Significance of October Discussed

Managua BARRICADA in Spanish 18 Oct 80 pp 1, 5

[Text] October represents the retaking of the offensive; Pedro Arauz is the model of martyrs; the party has recovered its dimensions for taking the course charted for it by history.

These were the concluding remarks concerning the heroic feats of October delivered yesterday by Commander of the Revolution Henry Ruiz, minister of planning, during the solemn ceremony commemorating the events of October, at the Dorado movie theater.

The ceremony was attended by the members of the National Directorate, Comdr Bayardo Arce and Humberto Ortega; Guerrilla Commanders Dora Maria Tellez and Walter Ferretti; Arturo Cruz, member of the Government Junta and state minister; Lea Guido, minister and member of the Sandinist Assembly; Comrade Julio Lopez, of the FSLN [Sandinist National Liberation Front] National Secretariat; members of the FSLN Directional Committee of Managua; relatives of martyrs of the feats of October; special guests from the diplomatic corps; and representatives of the mass organizations and the Sandinist Armed Forces.

Commander of the Revolution Henry Ruiz, who spoke on behalf of the National Directorate of the Sandinist Front, made a brief historical review of the contributions from Comdr Pedro Arauz Palacios to the people's struggle, to the organization and history of the fatherland and to the October feats.

He said: "The martyrs were always right, because, as the poet Leonel Rugama said, they did not say that they died for the fatherland, but that they died."

### October, a Month Which Gave Birth to History

Commenting on the events of October in the history of the Sandinist Front, he said that it was one of life's coincidences that October was the month which gave birth to the history of mankind with glorious deeds for mankind, and for the Sandinist People's Revolution as well.

He added that, with October, the struggle was resumed. It was felt in October 19 7, in different theaters of war. At that time, the men on the battlefield wanted to put the victory on the calendar.

With regard to the situation that our people were experiencing in October, Commander Ruiz said that, during that period, Somoza was boasting of being the "champion of peace."

At that time we were also undergoing an organic crisis, which was the most difficult problem. He also recalled that the revolutionary movement on the continental level was experiencing a situation of retreat, and that affected the struggle of the Sandinist Front. He said that the armed struggle was not in question; what was in question was the favorable resolution of the situation and the neutralization of the attacks that we were receiving.

It was in October that the best conditions for unity arose. The occurrence of the events in October, owing to their daring, introduced elements questioning the war, and indicated to us that it is not only possible to fight in the mountains, but in the cities as well, and that it is possible to expand the theater of war. Hence the great historical contribution from October.

#### October Sealed the Victory

Commander Ruiz added that, for this reason, October sealed the victory, and was the link which joined the military action and initiative for combat, and the level of the people's morale. It showed the people and the FSLN the path. He said that Somoza did not realize what October meant.

Commander Ruiz stated: "We discussed critical matters, but in the end we united, because October was the path which was the synthesis of 19 July 1979."

Later in his remarks, Commander Ruiz cited the need to underscore in history the most important aspects of the people's struggle, so that it may serve as a guide for future generations.

#### Pedro, the Model

Concerning Comdr Pedro Arauz Palacios, member of the National Directorate who was assassinated by the Somozan guards in the vicinity of Tipitapa on 17 October 1977, he said that he was the model of the martyrs who died during the history of the Sandinist Front's liberation struggle; a comrade who possessed all the qualifications that a true member of the Sandinist Front must meet: selflessness, sacrifice, ability to plot, distrust, guile, discipline, a propagandist outlook, combating sleep, etc.

All this was combined in Comdr Pedro Arauz. He said: "These martyrs deserved to hold the top leadership that we have today far more than we; these positions belong to them."

He also remarked that Pedro Arauz was one of the first militants to bring the scientific theory of organization into the vanguard. He always went about making organizational charts; he was concerned about holding the first congress of the National Directorate, in order to have an opportunity to discuss all the problems besetting the Directorate.

He said: "It had to be in October that Pedro died. It had to be in October, and at a high price; but in October history arose, and the theoretical discussion moved to a second phase, and practice, action was the key, and the offensive."

#### Maintaining the Spirit of October

In conclusion, he said that we must maintain that spirit of the October offensive in the tasks of economic reactivation, because we still have serious difficulties and we must consolidate our victory.

In her remarks, Guerrilla Commander Dora Maria Tellez, political secretary of the Sandinist Front in Managua, cited the advent of the Carlos Fonseca Northern Front, in October 1977, with 42 men ready to die for liberation.

She said that the column was headed by Comdrs German Pomares and Oscar Benavides; and it was mobilized in October to attack the Somozan command in Ocotal, as part of a plan coordinated with the action in San Carlos, Masaya and other locations. But the enemy was warned, and this meant a very difficult situation for our combatants.

The attack on Ocotal did not take place, and the action at Masaya occurred on 17 October, because the comrades could not fail in their commitment.

She said: "I mention this because we are now succumbing to a state of relaxing discipline. We need to shorten the time for dealing with the major social, economic and other problems that our people are suffering; and therefore we must make a little sacrifice for that cause."

#### Planning Minister Ruiz Speaks

Managua BARRICADA in Spanish 20 Oct 80 pp 3, 5

[Speech by Commander of the Revolution and Minister of Planning Henry Ruiz, at the ceremony marking the "Heroic Combative Feats of October," on 17 October 1980, at the El Dorado movie theater.

[Text] "Our heroes and martyrs were always right.

"We shall cite, in connection with the heroic feats of October, some of the disturbing aspects of the historical summary of the events of October; although everyone knows that people can hardly make a summary of the history that they themselves have experienced.

"We would first like to say that our brother martyrs were always right, because, as the poet Rugama said: 'They did not say that they died for the fatherland, but that they died.'

"One always runs the risk, when a few years have elapsed, of arriving at hasty conclusions regarding all-important, profound events such as the feats of October; feats which, by historical coincidence, occurred in October, the month which gave birth to history, definitively, in the destiny of mankind.

"They were events which were not planned to coincide in October; events which were not related to the desire that they necessarily occur during that glorious month for mankind which, by coincidence, is glorious for the Sandinist People's Revolution."

#### We Had Become Involved in War Not To Die But To Win

"What we would like to focus on is the observation of the context of the events of October as the restarting of the offensive of the Sandinist People's War against the dictatorship, against the oppressors of our people. At that time, different forces of the Sandinist Front were battling against the enemy in different areas and different theaters of war. We combatants in the mountains had in some way carried out a series of activities for a certain length of time. And at that time the men who were leading the activities then wanted to determine the date of the victory, to put the war period on the calendar. That was a matter of concern to us too, but we did not in any way make the time official; we had become involved in war not to die, but to win.

"And we are certain that the martyrs and heroes of our history did not enter it to die, but to win. In any event, death is a factor in the hazardous life of a revolutionary.

"It is in that context that we wanted to observe the martyrs and heroes of Raiti; and in that same context to observe the martyrs and heroes who fought and died in San Carlos, Masaya and Managua, and on the site which we sadly consider sacred, where 'Federico,' our brother Pedro, died.

"They died because the official rules did not allow them the fortunes of those of us who can now recall the events that they championed. And we wish to state frankly that some of them would rightfully have, from the standpoint of history and from the standpoint of the events themselves, more merit than those of us who currently have the destiny to lead the Sandinist People's Revolution (applause).

"October arrived in the midst of an organic crisis, but, more than in the midst of an organic crisis, it arrived at the time when Somoza was being called the champion of liberty and the defender of democracy."

#### Prospects of the War and Unity of the Vanguard

"More important than the difficult situation that the Sandinist Front was experiencing were the prospects that the war was acquiring at that time. More than the consolidation of the very fact of Somoza were the prospects that the revolutionary movement had at that time.

"Remember, in 1970 the entire revolutionary movement in Latin America had made a strategic retreat, and we were not excluded from that contingency. There had arisen a series of theories about the war, but what was important was that in such theory the armed struggle was not a matter of discussion, nor was the strategy of power a matter of discussion. The difficult part was to deal with the spirit which the adverse blows were to some extent bringing to the members of the Vanguard and the Sandinist Front.

"For those reasons related to life, for those reasons that are customarily called dialectics, it was in October that the daring and determination coincided to take on the final offensive, which led to the defeat of the dictatorship and victory for our people.

"We must say that in October there was a 'restarting' of the offensive in the war, that October pointed to the events and synthesized the possibility of victory, that it caused us to review the organizational methods, that it allowed us to restore confidence in the guerrilla rifle and, to some extent, to vary the theaters of war which, even then, we were keeping almost categorically closed. But, from a dialectical standpoint, the conditions had been produced within the Sandinist Front; because it is no coincidence that, in the 'restarting' of the offensive, the scattered forces of the Sandinist Front joined that spirit of offensive, and proved to be the link for materializing the most beautiful and most sacred quality that our revolution has at present, which was a determining factor at that time: its revolutionary unity, the unity of the Vanguard."

#### October: the Most Important Milestone of the Final Offensive

"In a way, Somoza was 'laughable' at that time; he coincided with the image of the cardinal, he entertained himself on the throne, and the slogan 'Somoza forever' seemed replete with definitive reality in the ears of the vacillating. Because what was happening within the Sandinist Front was also happening among the opposition. Somoza was becoming consolidated, and caused the forces opposing us to vacillate in the face of that ostensible consolidation.

"This is why the events of October have an historical significance, which we daresay is the most important 'milestone' in the final offensive against Somoza, against the dictatorship and against the oppressors of our people. We do not hesitate to say that they were actions which introduced some questionable elements, perhaps because of the situation that we were undergoing, but perhaps more than that, because of the scope of the daring with which they had been conceived. But we must observe this from the standpoint of dialectics and from the standpoint of the history of our Sandinist Front's struggle as our people's Vanguard.

"It was not a problem of meditating on events nor of being brave or unthinking at that time; rather, the decisive 'signal' had been given to prevent what could have been a retreat of the revolutionary movement and a consolidation of the dictatorship for many years; and that signal was given by the events of October 1977.

"In short, Somoza and the dictatorship seemed to be consolidated, both politically and militarily. Very ideal conditions to reverse that status appeared from the standpoint of the political laboratory. From that standpoint, there appeared the October offensive, and it appeared precisely to provide the ingredients for the spirit of offensive, the spirit that we had found in our people, in Sandino and Fonseca.

"To summarize a little, we would like to say that October bore the seal of victory and, paradoxically, the controversy which it aroused owing to the dimensions of its daring, was the link which bound the military action and restored the evidence that relates to wars: initiative and moral superiority. It gave the people and the FSLN the point of convergence, the starting signal and the link which combined the phase



of accumulation of political, military and organic energy with the offensive spirit of the people's war.

"Somoza did not really take notice of October; he entertained himself with the criminal offensive that he launched against the Sandinist combatants. But for us Sandinists who were ostensibly in retreat, we recognize in the action of October a milestone in the final offensive against Somoza; and that gave us the definitive conditions for revolutionary unity."

#### The Original Concept of the War and the Dimensions of the Victory

"We repeat, there were discussions about the concept of certain events, but we saw in retrospect events which proved that it was possible to fight in the city; events which indicated that the theater of war could be expanded, and that in the so-called strategic dispersion of the enemy, it was possible to fight in the districts, in the mountains and in the countryside. In a way, the original concept of the war which the Sandinist National Liberation Front had was in solidarity with that action.

"As I said, October gave the final prism, it gave the final dimension, regardless of how much we discussed the events, of the offensive and the spirit of offensive that was to support us against the enemy. And Somoza learned about it; our people learned about it. And October, or the Octobers as we say now, finally had their synthesis on 19 July 1979, 2 years later.

"The men and the concepts lie therein, in October. There is still a great deal for history to highlight, there are still events to be determined; but they must be determined from a different dimension, from the dimension provided by victory. There may be assessments of events, but there is one overall result, namely, the Sandinist victory, the victory of our people."

#### Pedro Arauz: Organizer and Propagandist of Revolutionary Ideas

"So there is still a great deal to record, not only the records; the ideas must be recorded. What we may not be able to record is the spirit and determination of the men who died in combat; because those men did not hesitate. Those men took the offensive again and were ready to die, as they had been ready to live and to apply their best energy to the reconstruction of the new fatherland. The heroes, like the martyrs, are not measured by that dimension; just as we cannot measure, count and balance the figure of Pedro Arauz, our brother 'Federico.' In Pedro, we would also like to see October; we would like to see the figure that aged within a few years owing to his activity and its persistence as an organizer. In Pedro, we would like to see October; just as we would like to see the model of our brothers who died, the secrecy, the guile, the tact and the insight which the clandestine life demands.

"There are few revolutionaries who have legends and pseudonyms, and who also have the skill and the protective ability to fight. And Pedro became a legend in the most difficult theater of war, surviving against an efficient security apparatus, surviving in action, with the outlook of an organizer, and of a publicizer and divulger of revolutionary ideas; fighting against sleep, fighting without rest against his own human limitations. In Pedro, we would also like to see the same

spirit which the Sandinist Front had, and which the Sandinist Front still has, toward historic events.

"The Sandinist Front calls itself a young vanguard of our people, with the historic dimensions of other peoples; one that adapts itself, equips itself and interprets and works untiringly, in the face of the historic events of every day.

"In a way, Pedro, our brother 'Federico,' was imbued with that vanguard spirit. We recalled that, at one time, we were looking for Sandinist models, and searched the major personages in the Sandinist National Liberation Front. And sometimes we thought about comrades who, because of their qualities, we repeat, make us unworthy to hold the position that we have, in comparison with the wake left by their lives.

"And among those personages and models was 'Federico,' without doubt. It was difficult to achieve organic synthesis, but we must say that he was one of the first comrades to bring to the members of the Sandinist Front the scientific concept of organization. We recall 'Federico' as the first of the comrades to deal with matters which now appear to be a daily element in the lives of the organizers. He went about making plans and organizational charts, seeking methods that would make the lines of command and responsibility clearcut. We would approach, with curiosity, the notebooks in which he drew up those organizational charts. It was the unrest of a revolutionary who, at his young age, resorted to technology and to the modern advances in organization to apply them correctly to the scientific method of revolutionary organization. But in 'Federico' we also find the qualities of a tough combatant, a man who was not resigned to adversity, and who was always confident of the day of victory. In 'Federico' we see the disciplined man who is intransigent about party discipline. And we must mention it somewhat, because of the thrill of talking about 'Federico,' because we had the good fortune of working together, observing problems and engaging in war exercises. In 'Federico' we discerned the person who claimed that the party represented discipline above all else. And 'Federico' was a mirror of discipline. We recall the worries about holding the first congress of the National Directorate, to discuss in depth the leadership problems, and it did so always thinking of the Sandinist Front as a party of the revolution. That is why, at times, when the enemies oppose the Sandinist Front, and when the bourgeoisie tries to set itself up, claiming that we have become a 'suspicious' kind of party, they forget that there has always been among us that 'suspicious kind' of party; and that one of the fathers of those kinds of parties was 'Federico,' our brother Pedro. And it was not by chance that, in 'Federico,' we could even find the selflessness of the first combatants, like the selflessness of the early Christians in the catacombs: their love, their steadfastness and their dedication to struggle.

"Therefore, October is no coincidence in the progress and the history of the FSLN struggle, although it is a coincidence that the outstanding events in our history occurred in October. It is no coincidence that 'Federico' died in October. History was condensed at that time, and the Sandinist Front finally produced the energy to lead the people to victory. And in that birth, great sons of our fatherland died. 'Federico,' one of its best sons, one of the best sons of FSLN, died.

"October had to have an historic price, the physiology of that birth had to have a price. Langrand died, Lewites died, 'Chato' died and 'Federico' died; but the flag

of victory was raised in such clear-cut dimensions that the theoretical discussions and difficulties of the war at that time became secondary, with a definitive recovery of action and a restoration of the spirit of offensive that the revolutionary war requires."

#### He Wanted To Be an Engineer, but He Decided To Be a Revolutionary

"He was born in 1948, was from Diriomo and received a diploma. He wanted to be an engineer, but he decided to be a revolutionary. His internationalist spirit took him to Beirut; he wanted to become involved in Guatemala. It was his concern to carry on the struggle, and he always talked about the people and about his origins.

"It is no coincidence therefore that we find the traits, the mystique and the dimensions of that new man in 'Federico,' and in his background and his class origins.

"Finally, we would like to sum up the evidence somewhat.

"October resumed the Sandinist offensive; Pedro was the model of the martyrs who died in that incident.

"The party has recovered its dimensions, to take the new course that history has charted for it. And it is with those three factors that we wanted, tonight, to stress that, rather than pay tribute, there should be meditation on the new feats, and new Octobers."

#### October Continues, and Demands Defense of What Has Been Conquered

"In conclusion, we would like to say that October continues, that difficulties are still mounting in the national area, that the spirit of offensive is still on the agenda; that the enemy has not become resigned to losing its historic privileges, and that the men who died in the past demand of the Vanguard, demand of the ranks from which they came, and demand of the people themselves that they defend what has been conquered, and build the future of which they dreamed and for which they died; that we dream and be willing to die.

"There are still problems of organization, social problems, economic problems and problems within, in the life of the revolution; but if we observe events in perspective, we must surely respond that the future is ours, that the future belongs to our people, and that the spirit of October, or the coincidence of October, will be consolidated in the future.

"Long live the eternal memory of the heroes and martyrs of October!

"Free fatherland or death!"

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PEDRO CHAMORRO, OTHERS SPEAK AT RALLY SUPPORTING 'LA PRENSA'

Managua LA PRENSA in Spanish 21 Oct 80 pp 1, 7

Text) During the early evening of Sunday, 19 October, accompanied by shouts of "Pedro Joaquin Chamorro Cardenal...here! LA PRENSA yesterday, LA PRENSA today, LA PRENSA forever!" hundreds of Nicaraguan citizens spontaneously and enthusiastically received Mrs Violeta Barrios de Chamorro and her son, Pedro Joaquin Chamorro, at the Augusto Cesar Sandino Airport.

The former member of the Government of Reconstruction Junta and her son were returning from the 36th annual meeting of the Inter-American Press Association (IAPA), which took place in San Diego, California, on the Pacific coast of the United States, where the burning issue of freedom of the press in America was debated at length.

The members of the reception group, men, women, adolescents and children, used copies of the newspaper LA PRENSA as flags to greet Mrs Chamorro, her son and other companions.

A large banner bearing the legend "Pedro Joaquin Chamorro, here!" was unfurled upon the arrival of the travelers in the airport reception room.

Mrs Violeta Barrios de Chamorro received several bouquets of flowers and warm embraces from women of all social classes.

Shortly before 1900 hours, a long procession of vehicles was formed and, sounding horns, drove to the Pedro Joaquin Chamorro Square, located nearby, where the illustrious journalist was assassinated.

On the square there were gathered delegations from the various political parties, including the Nicaraguan Democratic Movement, headed by engineer Alfonso Robelo; the Social Democratic Party, led by Wilfredo Montalvan; Adan Fletes, president of the Nicaraguan Social Christian Party; the Conservative Democratic Party; and the Civic Committee for Freedom of the Press; as well as some labor leaders.

The crowd constantly chanted "LA PRENSA...LA PRENSA...LA PRENSA"! Others repeated: "We Christians are here...Christ yesterday, Christ today, Christ forever"! "Long live freedom of speech"!

Dona Violeta Speaks

Dona Violeta Barrios de Chamorro, former member of the Government Junta, was the first to address the crowd, and did so as follows:



"Managuans, all Nicaraguans...we are Nicaraguans who are living in this country.

"I want to thank you on behalf of myself and my husband, who is always here in the presence of all you Nicaraguans.

"I am returning from San Diego, California, after one of the meetings of our Inter-American Press Association (IAPA), which has always fought for the freedom of our country and of the entire hemisphere.

"Many thanks to all of you here present, regardless of what ideology you may represent. Thanks to everyone; and let us remain always united, united to exalt our country with all our hearts.

"Thanks on behalf of LA PRENSA. Many thanks to all those who made this enormous effort to come from the Augusto Cesar Sandino Airport to the Pedro Joaquin Chamorro Square.

"Many thanks to all Nicaraguans." (Applause and shouts of "long live LA PRENSA")

Dr Ricardo Paiz Castillo, Representing the Committee for Freedom of Speech

Dr Ricardo Paiz Castillo spoke on behalf of the Civic Committee for Freedom of Speech, as follows:

"Most worthy lady, Dona Violeta de Chamorro, young lady Dona Marta Lucia de Chamorro Barrios, illustrious young journalist Pedro Joaquin Chamorro Barrios.

"Honorable audience, let us bow reverently on this site where, one day, Pedro Joaquin Chamorro was taken from earthly surroundings to enter the realm of history across the threshold of immortality.

"In one of the ironies of history, Pedro Joaquin Chamorro Cardenal's generous and manly blood was shed on this site but, as I said a moment ago, he moved into the category of our immortal figures."

He Died for Defending Liberties

"Let us always say: Pedro Joaquin Chamorro, who died for defending the liberties of his nation, is present in the hearts of his fellow citizens.

"It is a very high honor for me to raise my voice on this sacred site, to those of us who sigh for a truly free Nicaragua, to address you, greeting the distinguished travelers who were away from the country for a few days but who, upon returning now, have come to receive the rejoicing and encouragement of all those of us who pay tribute to a family that has proven to be an honor and glory in the history of Nicaragua."

Freedom Never Dies

Dr Ricardo Paiz Castillo went on to say: "Freedom never dies when there are upright, patriotic men who are capable of sacrificing their lives, and who risk them daily



when they write an editorial and when they write their thoughts, to those who misrepresent their comments and who monopolize everything for their own benefit.

"But...those of us who know how to interpret the true meaning of the comments, and the sincerity which should be the supreme virtue of the individual, must, indeed, understand that, among those illustrious men who are shaping the history of Nicaragua, the spirited young journalist Pedro Joaquín Chamorro Barrios stands out among the top rank."

### The Great Challenge

"Pedro, you have a great challenge in the eyes of history and the memory of your father.

"He shed his blood for a free Nicaragua, and you must follow that path to honor his memory and to defend us from those who want to trample on our liberties...

"Here we are, a people who know one another and who do not want alien ideas for our nation that do not fit in the historic essence of Nicaragua. But there must be integrity of character, there must be courage and fear must be eliminated, so that Christ who is the salvation of the people will always shine in Nicaragua.

"In my opinion, freedom of speech is the foundation of a democracy, and when restraints are placed on it, or things are concealed which, after all, is equivalent to a violation of freedom, we men must act as such, so that the reign of freedom of speech may continue in Nicaragua.

"There comes to mind at present a presidential message given by Fernando Guzmán in March 1867, stating:

"There will never be abuse for those who forcefully and patriotically speak their mind to criticize the acts, abuses and mistakes of the government.

"Slander itself will find me impassive; I shall scorn it, but I shall not persecute it..."

"We were born on a continent which was conceived for freedom, and we must maintain that; and when the freedoms are violated, we must act like men, to try to impose them again; because we must, indeed, always be free..."

### Pedro Joaquín Chamorro Barrios Speaks

The young journalist Pedro Joaquín Chamorro Barrios was next to speak. This was his address to an enthusiastic throng:

"I want to express appreciation for this spontaneous act of welcome that you have offered us.

"I consider it to be support for freedom of speech, which has been gradually curtailed in Nicaragua; and we must use that margin of freedom remaining to us to expand it again.

"We have come from the Inter-American Press Association (IAPA), which in the past played a very important role in protecting freedom of speech in this country, and making liberty shine again some day in Nicaragua.

"We told the truth to the IAPA: that there exists in Nicaragua a series of restrictions on freedom of speech, and there is a constant campaign of discreditation against the newspaper LA PRENSA, filled with outrages, which is aimed at having the newspaper lose the image that it has gained throughout the years and that it will continue to retain in the future."

#### We Have Come To Defend the Freedom of Some Journalists

"We have come to defend the freedom of some journalists who have forgotten what freedom is; because, to them, everything that comes from above is accepted without any challenge.

"Instead of trying to fight to obtain more freedom, those journalists are self-restricted and engage in insulting and slandering the others who are fighting on their behalf.

"Those gentlemen have already forgotten that the state's fundamental statute, which was the one that served to unify all the forces which put an end to the Somoza dictatorship, contains in one of its main chapters 'the right to unrestricted freedom of speech expressing thought.'

"And...so long as that right is not made genuine, we shall continue to fight; but when that right has been won by the Nicaraguan people, we shall say with honor that there is freedom of the press in Nicaragua."

#### What Is Sad

"Because, gentlemen, it is truly sad to have to say, and it is no satisfaction to have to say that, here in Nicaragua, one cannot talk about this, that and the other. What is even worse is that there are in the laws that they have imposed on us here such old terms as 'etc' and the phrase 'other similar acts.' These are interpreted, or can be interpreted, at any time, in any way and by anyone.

"To say that we have to consult and in that way become converted into official spokesmen of the information that is claimed, is truly sad..."

#### The Treminio Case

"Enroute from the airport, one heard shouts calling for the release of the journalist Guillermo Treminio...And I wonder, gentlemen, what has Guillermo Treminio done to deserve to be in jail?"

(The crowd responded: "Tell the truth...") "Gentlemen, he is simply a newsman who did not become aligned." (The crowd responded: "Release for Treminio!")

#### What They Are Busy Doing

"What are the journalists who fought bravely in the past to have freedom of speech attained in Nicaragua busy doing? Now, they are busy justifying all the laws against

themselves, and attacking their fellow journalists in a despicable, slanderous, damaging manner, which I shall not repeat here.

"It would appear that they have nothing better to do than start insulting, claiming that so-and-so is this, that Robelo is that....That is not journalism.

"I became familiar with that type of journalism in a newspaper called NOVEDADES.

"Why was the IAPA good in the past and bad now?

"Because now, as in the past, it upholds freedom of the press.

"Why is there talk of bourgeois, proletarian, revolutionary or counterrevolutionary journalism? Freedom is freedom, and accepts no adjectives!

"What is important is that the people have all the news media for learning what is happening. What if we here knew nothing but the official versions of the events that are occurring? What do they want? All the newspapers to say the same thing? All of them to have the same photos? The same captions? The same insults?

"No, gentlemen, that is not freedom of speech. For this there is LA PRENSA, in its unhesitating struggle. In conclusion, democratic friends of Nicaragua, I want to tell you that we have come to pay tribute to the memory of my father here, in this square, which is called Pedro Joaquin Chamorro Square, and which is the square of freedom of speech, to be always used for that purpose and not to curtail it. Thank you very much."

#### Robelo on the Platform

Engineer Alfonso Robelo, president of the Nicaraguan Democratic Movement Party (MDN), mounted the improvised platform amid heavy applause, after the participants in the ceremony demanded his intervention. These were his remarks:

"A few meters from here, Pedro Joaquin Chamorro Cardenal shed his blood. That blood was essential for winning a victory here against the genocidal dictatorship of Somoza.

"But that blood must also serve to prevent the establishment of another dictatorship in Nicaragua.

#### No Credit Is Given to Him

"No credit is given to the man who, with his blood, made it possible for the genuine popular uprisings and the first strikes that were essential for ejecting the tyrant to take place in Nicaragua. Pedro Joaquin Chamorro deserves to be recognized as a true democrat, and a man who always fought to make Nicaragua a republic again.

"That line of Pedro Joaquin is now the line of the newspaper LA PRENSA, the newspaper of all Nicaraguans. Now, there is an attempt to stifle LA PRENSA with insults, slander and despicable attacks.

"The blood of Pedro Joaquin Chamorro enriched the spirit of the Nicaraguan people to achieve freedom, and the only thing that the present slander is accomplishing is that it is making all of us Nicaraguans increasingly back the newspaper which represents democratic interests.

"I would like to reiterate here the notion expressed by Dona Violeta, regarding the unity of all Nicaraguans, a unity which was essential for overthrowing the dictatorship. But, heed me carefully, unity can only be achieved with respect. It cannot be achieved when it is asserted 'the national leadership orders,' but rather when it is said 'the Nicaraguan people order...'

"We are not here to receive orders. We are here so that the people, in free elections, and the people, in free mobilizations, can forge ahead and cause this country to really have freedom and democracy.

"There has even been an attempt to manipulate the thinking of the general of free men, Augusto Cesar Sandino, which belongs to all Nicaraguans.

"Gen Augusto Cesar Sandino always concluded his writings, and so shall I, with these brief words, claiming that what we must have here is: fatherland and freedom."

Wilfredo Montalvan

Mr Wilfredo Montalvan, president of the Social Democratic Party, was the final speaker, and his comments were phrased as follows:

"Comrades all: in consideration of the family, Dona Violeta and Pedro Joaquin, we shall conclude this ceremony, but we would like to say:

"We have all gathered here to express this support for the newspaper LA PRENSA, for freedom of speech and for Pedro Joaquin Chamorro Barrios.

"We are also recalling the career of a man who sacrificed himself to the final consequences, not only for freedom of speech, but for all public freedoms on behalf of all Nicaraguans.

"Therefore, I would like to tell you that we are, at this moment, laying the first cornerstone for a struggle that we shall continue to carry ahead, because Pedro Joaquin Chamorro Cardenal left us the line that he had devised: that it is better to die as men than to live as slaves.

"And just as the Nicaraguans shed their blood in the liberation struggle against the dictatorship, as Pedro Joaquin Chamorro Cardenal did, we must be certain that they will be willing, now and always, to shed their blood to maintain the freedoms which have been the greatest aspiration of all Nicaraguans.

"Hence, our presence here represents a commitment to the past and the future: a commitment to the past, because we must remain faithful to the aspirations of Pedro Joaquin Chamorro and of the 50,000 martyrs who shed their blood for this country's freedom; and to the future, because we shall turn over to the younger generations a free Nicaragua, a Nicaragua like that dreamed of by Pedro Joaquin Camorro Cardenal, when he said 'Nicaragua will be a republic again.' Thank you very much." To end the ceremony, the audience sang the national anthem.

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YOUNG SANDINIST DISCUSSES INTEGRATION OF YOUTH INTO ECONOMY

Managua BARRICADA in Spanish 18 Oct 80 p 6

[Interview with Fanor Herrera, member of the 19 July Sandinist Youth organization's National Executive Secretariat; date and place not given]

[Text] Fanor Herrera, member of the 19 July Sandinist Youth organization's National Executive Secretariat, has discussed the plans for 1981 with BARRICADA.

One of the major tasks to be performed by the 19 July Sandinist Youth organization during 1981 is unquestionably that of associating the student, the nation's future technician, with production and the real situation in the rural areas, through the Work-Study Program.

It should not be thought that the youth will be dissociated from the Economic Reactivation Plan. Fanor Herrera, member of the JS-19 National Executive Secretariat, told BARRICADA that in 1981 the students must not only be familiar with the Reactivation Plan, but must study it, become thoroughly cognizant of it and back it.

The Sandinist Youth organization will provide mechanisms for achieving constantly increasing integration of students into the nation's problems.

Herewith is the interview with Fanor Herrera, leader of the 19 July Sandinist Youth organization:

[Question] Comrade Herrera, how will the 19 July Sandinist Youth organization respond to the challenges of 1981 in the areas of austerity, efficiency, productivity, reactivation, etc.?

[Answer] In the first place, we must become geared to the guidelines issued to us by our National Directorate, and to what our National Executive Committee decides.

We have been preparing a group of operating plans so that our entities will be able to respond, in 1981 and in future years, to the basic needs of our people.

First of all, the organization will have to deal with the student problems and the educational situation next year. The student comrades will have an opportunity to participate with our organization, supporting the plans of the revolution, and being better students and better technicians. We shall demand of the organization's members direct participation in schooling.



This is our interpretation of our participation in the 1981 Reactivation Plan. We know that it has been criticized by the reactionaries; these are precisely the aspects that do not suit the bourgeoisie. We realize that everything which is important to the progress of our revolution, to the people and to the consolidation of the process hurts the interests of the reactionaries.

We also realize that the political training of our comrades is important. We shall also promote sports among the members of the Sandinist Youth organization.

[Question] In order to gain a better understanding of JS-19's problems, could you explain to us the social origins of the youth organization's members?

[Answer] The vast majority of our mass organization consists of student comrades; in other words, they come from the middle class. But they are completely identified with the principles of our revolution, that is, with the interests of the workers and peasants.

We believe that the future direction of our youth will have to be aimed at the interests of the Nicaraguan proletariat.

[Question] I was referring to the fact that, although it is true that a high percentage of JS members consists of students, many of them are working in one way or another to support their family households. In this respect, could one tacitly say that there is an unproductive middle class student sector and a youth sector which is producing?

[Answer] That is exactly what we are aiming at by carrying out the work-study activity.

In other words, the student must understand that his training has to be linked with his education in work. By working, the student will understand the great necessity for being a worker and a creator of the revolution, in his training.

It must be understood that our members are also workers for the revolution and for our people.

[Question] Does the Sandinist Youth organization have any program for incorporating the working youth or peasant youth into its membership?

[Answer] This is understood to be voluntary. We do not require anyone to go to work, but our comrades engage in work out of their own conviction, and because they understand the enormous needs of our people.

[Question] Another task of the youth organization will be to join the student militias. How will that be done?

[Answer] This is another voluntary activity. We do not want to interfere with the studies of those who are going to graduate, because we realize that this is another one of the essential tasks for the very defense and consolidation of the revolution.

[Question] It is important to explain how the student organization will be set up. In the past, there was AES [Sandinist Students Association] and MES [Sandinist Students Movement]. Will the students' organization have a special name now?

[Answer] At the present time, the Sandinist Youth organization will take charge of the students' tasks and demands. We believe that conditions must be created, because it is impossible to create the students' organization by decree.

[Question] Finally, Comrade Herrera, in what other way is it intended to associate the youth with tasks in 1981? I am referring to whether there will be a more detailed study of the problems involved in reactivation.

[Answer] Not only that, the student must not only be familiar with the problems of the plan, but also know how to put it into practice; and he must essentially back that plan. There is a group of more specific tasks related to the nation's reactivation plans, which we shall announce later.

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EXTENSIVE CROP DAMAGE FROM HEAVY RAINS NOTED

Managua BARRICADA in Spanish 21 Oct 80 p 5

[Text] The damage caused by the recent rainfall to the coffee plantations of the People's Property Area (APP), run by the Nicaraguan Institute for Agrarian Reform [INRA], in Nueva Segovia, amounts to 433,000 cordobas.

This information was supplied to BARRICADA by Comrade Luis Moreno, head of INRA's coffee sector for the Nueva Segovia region.

According to the reports that have been provided, in Jalapa the heavy showers caused the water to destroy the cultivation of moist coffee in the No 2 Complex of the El Escambray State Production Unit. Further damage was done to two blocks of coffee plantations. The losses in this UPE [State Production Unit] amount to over 142,000 cordobas.

In the San Antonio UPE of the same complex, the water overflowing from the rivers flooded four blocks of harvest coffee valued at 84,000 cordobas.

In Santa Elena and La Calandria, an assessment made by the INRA regional entity disclosed losses amounting to 121,500 cordobas.

The rainfall damaged six blocks of developing coffee in Santa Elena valued at 90,000 cordobas, as well as a block and a half of coffee in La Calandria, at a cost of 31,500 cordobas.

In Gualacatum, the losses totaled 22,500 cordobas.

In the Dipilto sector of the No 1 State Complex of the La Unidad UPE, the flooding of the Dipilto River and the landslides from nearby hills completely destroyed three blocks of harvest coffee valued at 63,000 cordobas.

Damage in Madriz

In the Madriz zone of the People's Property Area, damage occurred to 21 blocks of corn in the San Luis complex. The losses were initially estimated at 1,680 quintales of grain. The same number of blocks in the same complex were damaged by the rainfall, involving 24 blocks of beans, seven blocks in the San Jose complex and 18 in the Misawalto complex.

The garden produce was also damaged by the rain: two beds of 30 tomato plants, and another two of cabbage for transplanting were destroyed by the water.

Damage was reported on two blocks of soybeans, and the same number of blocks of sesame seed.

**In Jinotega**

In the department of Jinotega, 12,000 coffee seedbeds were lost in the No 3 Complex, and 7,000 in the No 4 Complex.

In the No 12 Complex of that same department, out of 120 blocks prepared for planting beans, only 20 could be planted.

**In Esteli**

In Esteli, out of a total of 73 blocks which had been prepared for planting late beans, only 30 percent were planted.

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# ASSOCIATION OF JOURNALISTS CREATED

Lima EL COMERCIO in Spanish 2 Oct 80 p 1

[Text] When he signed the law, Belaunde renewed the most absolute freedom of the press.

The Peruvian Journalists Association was officially created yesterday when President Fernando Belaunde Terry signed the law that had been unanimously passed by Congress.

The ceremony took place in the Golden Room of the national capitol in the presence of the presidents of the Senate and the Chamber of Deputies, Oscar Trelles and Francisco Belaunde Terry respectively, the ministers of state, members of Congress and hundreds of journalists.

## Freedom of the Press

In a short speech which was broadcast to the nation by the National Radio Network, the chief of state renewed the most absolute freedom of the press after recalling that this principle was fully attained during his first administration.

"Naturally, in entering our second administration we will not alter a policy which we now ratify and promise the people of Peru."

Amidst the applause of those present, Belaunde Terry recalled that a few years ago he had indulged in technical journalism, "more as a fan than a professional."

The period to which the president referred was up until 1963 when he was elected president for the first time, when he headed the monthly review, EL ARQUITECTO PERUANO.

## Association

In conformity with Law 23221 which has created it, the Journalists Association is an autonomous organization representing the newspaper profession throughout the entire country without prejudice to the other journalist trade or labor union organizations.

The law notes that association is an indispensable requisite for the exercise of the newspaper profession, although this law does not limit the provision in Paragraph 4, Article 2 of the Constitution; and it requires the presentation of a



professional degree for membership in the association, although it makes an exception so that those who prove that they practice journalism on a permanent and/or stable basis will also have the right to join the association.

Among the funds the association will have, the law specifies 1 percent of the value of the ads published by the mass communications media.

#### Ceremony

Minister of Labor in Charge of Education Alfonso Grades and the head of the SINADI [National Information System], Miguel Alva Orlandini, participated in the ceremony of the signing of the law.

Belaunde Terry signed the document at 1208 hours amidst the applause of hundreds of journalists. Shortly before that, some of them, members of the National Association, shouted: "Association, union," which moved the official speaker to request that respect for the premises be maintained.

When it was over, the chief of state received an enthusiastic ovation, then left for his residence.

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## BILL TO RESTORE NEWSPAPERS' OWNERSHIP PASSED BY CONGRESS

Lima EL COMERCIO in Spanish 2 Oct 80 p 1

[Text] Released proceedings go to Senate.

Last night, by a majority vote, the Chamber of Deputies passed a replacement bill drafted by the Constitutional Committee which repeals DL 20681 of 27 July 1974, which covered the seizure of national dailies from their rightful owners in order to turn them over to nonexistent public sectors.

The bill in question received the backing of 85 representatives of the government-supporting AP [Popular Action]-PPC [Popular Christian Party] bloc and 45 no votes from the Aprista Parliamentary Bloc and the Marxist left. There was a standing vote during a session that ended in an agitated manner.

The majority also approved release of the minutes of the proceedings on the replacement bill, drafted by the Constitutional and Rules Committee, chaired by Roberto Ramirez del Villar (PPC), so that they might reach the chamber's colegislative body as soon as possible in order for the latter to deliberate on the bill.

The approved document also grants the chief executive the authority to legislate for a term of 120 effective days, "as of [the day] the present law goes into effect," on the repeal of other laws and provisions relating to the dispossession of dailies as well as of those that regulate radio and television activities.

The bill, which consists of six articles, provides that "the power thus conferred includes restitution to their owners of their shares and of the tangible and intangible assets of those newspaper companies, printing houses and distribution agencies that have been dispossessed, including the assets of third parties."

Article 3 adds that "those shares representing the capital stock of radiobroadcasting and television companies affected by dispossession proceedings will in the same way be restored to their owners."

#### Relevant Measures

The bill also emphasizes that the chief executive will dictate any measures that may be relevant in resolving legal, economic, financial, tax, administrative and labor problems created as a result of the above-mentioned proceedings.

By virtue of the delegation of legislative powers, the chief executive will negotiate the terms of restitution with each newspaper company, printing house or distribution agency as well as restitution of the stock of these companies and those of radio and television companies affected by dispossession to their owners.

#### Agitated Session

After six sessions of debate on the bill, since discussion on it began last 25 September, the lower house was worn out. Thirty-one deputies from all political factions participated in the debate.

However, the session ended in an agitated manner and the replacement bill had to be voted on in the midst of angry demands from leftist bloc congressmen and the galleries. A motion requesting that debate on the matter be considered "exhausted" had been passed before that.

At the same time, Manuel Dammert Ego Aguirre (UNIR [expansion unknown]) angrily demanded the floor, a request which was denied him by the Board of Directors. This measure was also applied to Javier Valle Riestra (PAP [Aprista Party of Peru]), who had requested the floor to explain some things to PPC Deputy Roberto Ramirez del Villar.

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ITALIAN TERRORIST PRESENCE IN COUNTRY DENIED

Caracas El UNIVERSAL in Spanish 8 Oct 80 Sec 1 p 12

[Text] The minister of interior, Dr Enrique Aristiguieta Gramcko, has stated that Italian terrorist Marco Donat Cattin is not in Venezuela.

When he was consulted on the accusation made in the Italian periodical PANORAMA to the effect that the Venezuelan police are protecting an Italian terrorist tied to the Christian Democratic Party, he stated the following:

"The terrorist has no ties with the Christian Democratic Party. He is the son of a Christian Democrat, but he is a man tied to a far left group. Therefore, he has no connection with the Christian Democratic Party."

"He is described as being of the far right.

"At any rate, he has no connection with the Christian Democratic Party," the minister repeated. "And INTERPOL has released an opinion different from that periodical. It seems to me that INTERPOL deserves more credence than that periodical. Besides, the Venezuelan police have no information that this gentleman is in Venezuela."

In speaking as an attorney, Dr Aristiguieta Gramcko asserted that the negative fact cannot be proved. "I cannot prove that this gentlemen is in Venezuela. Whoever says that he is in this country has to prove it. I can guarantee that he has not come to Venezuela."

The minister was also asked concerning the latest comments by the newspaper GRANMA, official organ of the Communist Party of Cuba, to the effect that the Venezuelan Government will be responsible for acts that may occur as a result of the acquittal of the persons involved as presumed perpetrators of the attack on the Cuban aircraft in which 73 persons died.

"It demonstrates the real content of a totalitarian regime. In the understanding that GRANMA is the official spokesman of the Cuban Government, it offers to take justice in its own hands, with no formula of trial. Therefore, that reflects clearly what a totalitarian regime is and it makes us Venezuelans feel happy that we also are clearly aware of the advantages that a democratic regime is supposed to have."

The minister added that the Venezuelan State guarantees the tranquility of the country's citizens.

In addition, Dr Aristiquieta Gramcko said, in answer to a question on recent attacks in Caracas, that "those acts occur very rarely now in the metropolitan area."

He pointed out that police operations that have made a maximum reduction in that kind of event have been carried out in other cities in the country.

"When we came into office, those acts were at a really scandalous and disturbing level. Fortunately, we have succeeded in reducing them."

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BREAK IN RELATIONS WITH CUBA URGED

Caracas EL UNIVERSAL in Spanish 9 Oct 80 Sec 1 p 4

[Article by Hermogenes Lopez: "Venezuela and Fidel Castro"]

[Text] It is incredible that a free country with a great tradition like Venezuela is tolerating all kinds of acts of aggression from the arbitrary Cuban leader that reveal him as a lawless man who respects no one.

I am acquainted with the integrity of the president and commander in chief of the Armed Forces, Dr Luis Herrera Campins, and also of the attorney general and of the country's military officers, because I have been a long-time member of the Senate Defense Committee of which I am the counselor. We are sure that if a national military court found clear grounds for acquitting the persons involved in the explosion of a Cuban aircraft and for setting them free, they must have their just, legal reasons.

This country is also being threatened to be governed by a socialist party, if COPEI [Social Christian Party] and Democratic Action continue with their quarrels and do not set themselves to working together for Venezuela. There are persons on the far left who say that Castro-communism is right in this matter.

We believe that Venezuela should have broken relations with Castro long ago, although we feel very sorry for the honorable, merry people of Cuba who have always merited all our consideration and esteem, but who, unfortunately, are subjugated at present by an iron dictatorship like all the communist people in the world.

The COPEI government, Democratic Action and all the people should become alert and do everything possible so that the republic may continue on its course of progress in freedom and so that progressive workingmen will not be obstructed in carrying out their activities, which are, undoubtedly, the ones that can produce the consumer goods so needed by the people to stop the large-scale importation that has been ruining Venezuela for some time now.

We have never been pessimists. I believe and firmly hope that as soon as we forget political maneuvering and devote ourselves more to the creative work of well-being and progress for everyone, we shall be a happier people, far from rightist or leftist dictatorships.

P.S. We do not agree with what happened in the house of Dr Luis Teofilo Nunez Arismendi. The PTJ [Judicial Technical Police] should act more firmly, but not in this kind of case.

ESTEBAN REY CRITICIZES HERRERA'S MANAGEMENT EFFORTS

Caracas EL UNIVERSAL in Spanish 27 Sep 80 Sec 1 p 12

[Commentary by Luis Esteban Rey]

[Text] Observations on the Preacher

In the speech delivered by President Herrera in the ceremony opening the Catacumbo cement plant -- started during the previous administration with loan contributions by the state -- in Villa del Rosario, Zulia, he alluded to commentaries that this commentator made in the newspapers EL UNIVERSAL and PANORAMA, Maracaibo, in the first week of September. Among other things, the president of republic raised, in his speech, a need for a return "to the principles of ethical rules that will make it possible to take greater national, just advantage of resources without diverting them into hedonistic, egoistic and petty pleasure of our own desire."

And then he added that at times, when he emphasizes these things, "friends in the opposition who write in newspapers point out that I am speaking like a preacher, but the fact is that the president of the republic has to be a preacher, not only a promoter of material work, not only a stimulator of social ideas, but also especially someone who will continue to point out a course that will open up horizons so that the peaceful, balanced, harmonious orientation of a whole people toward development will occur in accordance with the best rules of human behavior."

Perhaps the president did not have time to read our whole column on the preacher, or else he limited himself to a summary of it provided to him by his press office. In that column, we tried to get to the bottom of the unknown quantity contained for many Venezuelans -- including not a few of his associates -- in the personality of Luis Herrera as chief of state. And we noted that some are of the opinion that he does not have the stature in his exercise of the presidency, and others that he is an astute plainsman who knows very well what he wants and what he is doing or undoing and will finish his term in office with a good mark.

Then we added that, in our opinion -- and always with the risk of being wrong -- the unknown factor might be cleared up, if we thought that President Herrera had decided to take on the role of preacher consciously. Following the line of this assumption, we said that "in today's gay, sinful Venezuela of easy virtue, in which wealth becomes irresponsible and poverty engenders hatred and vengeance and is the seedbed of anarchy and delinquency; in this Venezuela of large-scale whiskey imports and of large shortages in foodstuffs that have to be imported just like whiskey; in

this Venezuela where irresponsibility percolates into every sector, including the official sector, President Herrera believed that what Venezuela needed in the office of chief of state was a preacher who would try to right deeply rooted wrongs."

In order to strengthen our assumption, we then took an inventory of the statements, speeches and admonitions of the president on the poor, crybaby businessmen, the idle and idleness, students who do not study and teachers who do not teach, corruption and the corrupt, culture as an instrument for man's realization, sports, the "insidious press," disturbing and distorting television and even his trips abroad.

#### The Preacher and the Administrator

At no time did we criticize or object to that behavior by President Herrera, which we judged to be the result of a noble commitment, but we did dare to point out that "the preacher is neglecting the administrator somewhat." Everything seems to indicate, we went on, that Dr Herrera Campins is convinced that his obligations as a preacher, as the moral conscience of society, are more important and far-reaching than simple administrative management. He has entrusted this task to a team in which he has placed his full confidence. At the head of this team, his team, he has placed Rafael Andres Montes de Oca, minister of interior, and in practice prime minister, in the manner of those countries that have a parliamentary government.

We went on to say that a very widespread opinion is that the chief of state does not pay much attention to management of the economic policy. He is certainly familiar with its broad lines and its objectives, but he believes that its analysis and its pursuit to evaluate its results are not the preacher's tasks. The only thing is that at times when the government intends to give a turn to the economy with all its repercussions that this implies, the country expects the president of the Republic, by constitutional mandate administrator of the public treasury from which the country's whole economic and fiscal policy is derived, should be johnny-on-the-spot, as the saying goes, with the helm constantly in his hands.

President Herrera is fine in his role of preacher. No one can object to him. But he must also necessarily carry out his obligations as an administrator. Horizons have to be opened up in the moral environment (if yesterday we condemned the almost too close connections between some civil servants and party members with the world of business, it seems logical to suggest today to President Herrera not to lose sight of what might happen in that connection in his own shop). But it is also necessary to supervise public administration and the economy closely, especially in a country in which the state has so much influence on this, as is true of Venezuela.

#### A Document in Circulation

We shall quote, in support of this opinion, from a report by Alfredo Pena in his Saturday column in EL NACIONAL (20 September 1980). The report states the following textually: "A document criticizing the government's political and administrative management is circulating among the members of the Cabinet. Among other things, the creation is proposed of a presidential office for administrative reform or something similar to the Public Administration Commission that existed until December 1976. The inconsistent and, at times, contradictory behavior of some heads of the various executive offices is also criticized. Concern is expressed,

because there is no element that coordinates the poorly understood autonomy of some ministers. Administrative inefficiency is the main topic in the above-mentioned document said to have been prepared by people who worked on President Herrera's election platform and by government officials."

The document in question really exists. Therefore, Alfredo Pena's report is entirely in accordance with the truth.

When we said above that we were quoting from it in support of our criterion on the neglect of the administrator by the preacher, it is because mention is made there of the inconsistent and, at times, contradictory behavior of the ministers and the lack of an element coordinating the executive offices. Well then, this coordinating element of the ministers' work cannot be other than the chief of state. If he does not act in this way, what is criticized in that document happens. Moreover, the contradictions between the executive department heads -- whose existence is nothing new -- are the result of that withdrawal by the president of the Republic from the duties that he should perform directly as coordinator of his top-level assistants in public administration. Regardless of how much authority and devotion to service Minister Montes de Oca may have, regardless of how he may be "first among peers" -- that is how he was described once by Minister Ugueto with reference to the role of the minister of Interior within the government as a consequence of the delegations of duties made by President Herrera -- the president of the Republic can hardly be replaced almost systematically as head the nation's administration.

#### The Preacher's Language

We point out once more -- as if it were necessary -- that we are not reproaching Luis Herrera Campins for speaking and acting at the head of the state as a preacher. We are stressing the point that in today's Venezuela this is a noble task in which it would be desirable that his social Christian fellow party members should accompany him. But the preacher must be an administrator at the same time. There is no incompatibility at all between these two high functions. Finally, the preacher should be reminded that, especially in democratic societies, the language must be more convincing than aggressive, more stimulating to reflection than to bitter reaction and to disconcerting distrust.

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